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Austria	12 S.	Korea	Sh. 7
Belgium	20 B.F.	Lebanon	812.25
Denmark	3.50 D.K.	Luxembourg	20 L.F.
Egypt	40 P.	Norway	2.75 N.
France	22 F.	Netherlands	30 F.
Germany	2.50 M.	Nigeria	70 K.
Greece	3.00 F.	Portugal	3 N.K.
India	1.50 D.M.	Spain	20 P.
Iran	1.50 D.M.	Sweden	2.75 S.K.
Israel	1.50 D.M.	Switzerland	1.75 S.F.
Italy	400 Lira	Turkey	1.75 T.L.
		U.S. Military (B.)	50.35
		Yugoslavia	20 D.

# Heavy Fighting in Beirut Spills Over Into New Area

## 500 Casualties Reported Within 24-Hour Period

## U.S. Backs French Effort To End War in Lebanon

By George Krinsky

By Fred Farris

BEIRUT, Oct. 4 (AP) — Syrian-Christian violence has torn apart this capital city, and some veterans of the Lebanese conflict say that the fighting now is worse than any seen during the 1975-76 civil war.

WASHINGTON, Oct. 4 (IHT) — The United States, expressing support for French efforts to remove Syrian troops from Beirut and halt the bloodshed there, today urged Syria and Israel to exercise "maximum restraint" in the volatile situation in Lebanon.

"This escalating violence, with the bloodshed and suffering to innocent civilians it inflicts, must be ended," State Department spokesman Tom Reston said.

New fighting in Beirut last night resulted in hundreds of casualties, it was reported.

The conflict that has destroyed much of the Christian sector of East Beirut is now spilling over into the western portion, the entertainment and commercial center that in better times earned Beirut the name "Paris of the Middle East."

The Syrians, now the heart of an Arab League force stationed here, intervened in the civil war that pitted leftist Lebanese Muslims and Palestinians against Christian rightists, whom the Muslims thought had too much political control.

Stimulus Resistance

The Syrians have saved the Christians, but they have proved stubbornly resistant to Syrian attempts to control them.

The Christian quarter has been without water and electricity for a week. Tuesday the big guns constantly battering the city knocked out most of West Beirut's power, plunging it into darkness and cutting all communications with the outside world.

The blackout proved a nightmarish backdrop for the battle waged in the air — fiery tracer shells and whistling rockets from Syrian guns criss-crossed the night sky, landing with white bursts of fire in the eastern sector.

The orange glow of a blaze at an oil depot, partially obscured by thick smoke, put the eastern skyline in a ghastly silhouette.

Radio reports from the Christian sector, completely cut off by Syrian roadblocks and sniper fire from the Muslim quarter in the west, said that corpses were rotting in streets, hospitals and homes, kept from burial because of the danger.

Famine Threat

Red Cross workers say that the threats of famine and death from thirst are becoming more serious by the hour as all routes of supply to the eastern sector have been severed. The rightist militia campaign to wrest from the Syrians two strategic bridges that lead into East Beirut and out of the city to the north could be a push for an escape route.

In West Beirut, leftist Lebanese militiamen who have stayed out of this fight — some say only because of considerable pressure from Syria — have put up roadblocks in neighborhoods they treat as their own private strongholds. Armed gunmen check identities of passing drivers and, in apparent frustration at being left out of the fight, shoot fusillades of machine-gun fire into the night air.

An occasional rocket-propelled grenade swishes toward the eastern sector from an apartment window, testimony to the Beirut eclecticism that every building is an armory.

Scores of restaurants and nightclubs in West Beirut that reopened after the civil war in hopes of eventual recovery have shut their doors again.

Hans Maschek, an Austrian restaurateur who spent \$290,000 re-

### Rhodesian Leaders

## U.S. Approves Visas For Smith, 3 Others

WASHINGTON, Oct. 4 (AP) — The State Department announced today that it would issue visas to Prime Minister Ian Smith and his three black allies in Rhodesia's ruling Executive Council.

The department spokesman, Thomas Reston, said the administration had decided to make an exception and grant the visas "because we believe the visit can contribute to the process of achieving a settlement."

Mr. Reston said that the decision did not imply an endorsement of the Smith government, but rather reflected "our urgent desire to leave no stone unturned, no opportunity ignored, and to further our efforts to end the bloodshed and suffering."

He said that administration officials expected to meet with the Smith group during their visit.

The department's decision follows a two-week tug of war within the administration over whether to grant visas to the leaders of a regime that the United Nations regards as illegal.

The first public word of the decision came from Sen. S.I. Hayakawa, R-Calif., who said he had been informed by Secretary of State Cyrus Vance.

Mr. Smith and the Rev. Ndabaningi Sithole probably will fly to New York on Saturday and come to Washington early next week. The other two black members of the Rhodesian leadership, Jeremiah



Ian Smith

Chirau and Bishop Abel Muzorewa, will come at a later date.

Lo Salisbury, a senior official of the Rhodesian government said privately: "Not only have we won the visas and are getting them there, but we have won on the basis of the (Continued on Page 2, Col. 7)

### Intelligence Chief Gets Defense Post

## Sadat Carries Out Reshuffle of Cabinet

By Christopher S. Wren

CAIRO, Oct. 4 (NYT) — President Anwar Sadat today carried out a major shake-up of his Cabinet as part of his commitment to overhaul his cumbersome government on the threshold of transition from war to peace.

The reshuffle, Egypt's third in less than a year, left fewer than a dozen holdovers from the Cabinet of former Premier Mamdouh Salem and introduced some unexpected new faces. Mustafa Khalil, 57, a respected politician, had been named only two days ago to replace Mr. Salem and form the new Cabinet in consultation with Mr. Sadat.

One of the major developments was the nomination today of the chief of Egypt's intelligence apparatus, Gen. Kamal Eddin Hassan

Ali, as the new minister of defense and commander in chief of Egypt's armed forces. The move was forecast yesterday when his predecessor, Gen. Mohammed Abdel-Ghany Gamasy, was named a military adviser to Mr. Sadat.

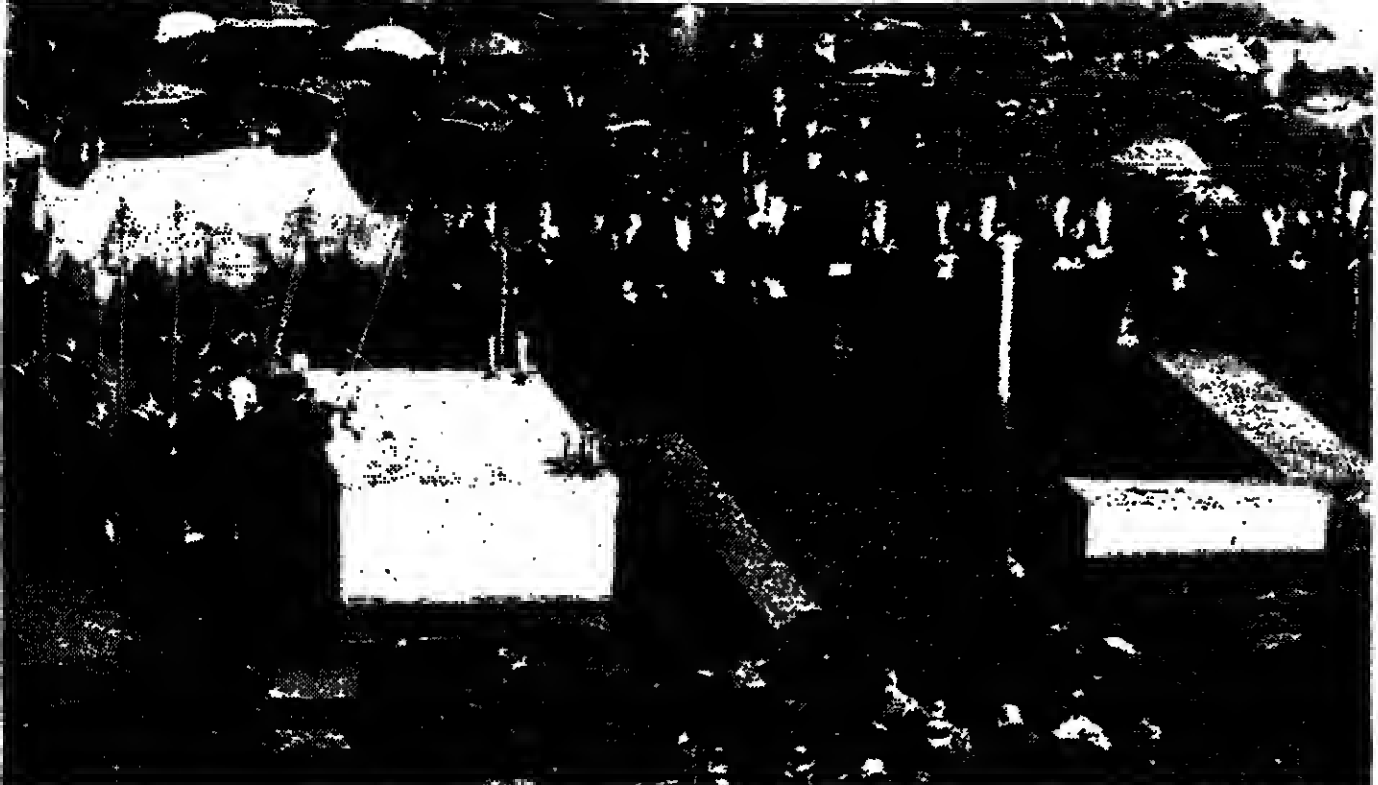
At the same time, the armed forces chief of staff, Lt. Gen. Mohammed al-Fahmy, was also designated a presidential adviser, a post carrying no real authority. His replacement was Maj. Gen. Ahmed Badawy, a career soldier briefly jailed under the late President Gamal Abdel Nasser, who later led the beleaguered 3d Army in the 1973 war with Israel.

The surprise departures of Gen. Gamasy and Gen. Fahmy baffled observers here and prompted some initial rumors about disaffection in

the military over the Camp David peace accords with Israel. The two outgoing generals had a reputation for loyalty to Mr. Sadat and well-placed Cairo sources attributed the shifts to the president's desire to rotate key military posts.

Gen. Ali, a highly decorated 57-year-old veteran of desert tank warfare, was now expected to lead the Egyptian delegation to the peace talks with Israel in Washington next week. It was not clear whether Gen. Gamasy, who had been active in earlier negotiations, would also attend.

The portfolio of foreign minister was left conspicuously vacant, presumably to give Mr. Sadat more time to select a successor to Mohammed Ibrahim Kamel, who (Continued on Page 2, Col. 7)



Dean of Cardinals Carlo Confalonieri, left, under a canopy, celebrates funeral Mass as Pope John Paul I's coffin lies in the rain in St. Peter's Square in Rome yesterday. Members of foreign delegations are standing in the background.

### Thousands at Funeral

## John Paul I Buried After Outdoor Rites

By Henry Tanner

ROME, Oct. 4 (NYT) — Pope John Paul I, the 263d occupant of the throne of St. Peter, was laid to rest today in St. Peter's Basilica after a solemn two-hour Mass celebrated by 92 red-clad cardinals.

The rites were held outdoors, in St. Peter's Square, rather than inside the church, following a precedent set two months ago for Pope Paul VI.

The vast square was packed with worshippers. Estimates of the crowds ranged as high as a hundred thousand.

Delegates from 101 countries included Mrs. Lillian Carter, the U.S. president's mother.

Mourners Applaud

Many of the mourners applauded in farewell at the end of the Mass, when 12 chair carriers in morning coats lifted the pope's coffin on their shoulders and carried it slowly into the church and to his final resting place in the crypt below the basilica.

Night fell under a leaden sky as the coffin, escorted by the cardinals and flanked by Swiss Guards in blue, yellow and red uniforms, entered the church.

The rites were led by Cardinal Carlo Confalonieri, the 85-year-old dean of the Sacred College of Cardinals, which will elect a new pope in a secret conclave beginning Oct. 14. The Sistine Choir sang Gregorian hymns and prayers, and the worshippers in the square responded.

Cardinal Confalonieri in his homily praised the human warmth of the deceased pope, "the appeal of his instinctive goodness, his innate humility, his genuine simplicity."

Pope John Paul, in his pontificate of only 33 days, had drawn the (Continued on Page 2, Col. 6)



Ninety-two cardinals sit in a line outside the main entrance of St. Peter's Basilica in Rome yesterday during funeral.

### Before Central Bank Support Reduces Loss

## Dollar Falls to Record Low Against Mark

LONDON, Oct. 4 (AP-DJ) —

The dollar today touched record lows against the Deutsche mark, guild and Belgian franc and broadly declined against the main trading currencies before bouncing back on apparent forceful support by the Federal Reserve.

The Fed intervention helped the dollar rebound in the final hour of European trading from its intraday lows, but it remained below yesterday's finishing levels. Profit-taking may have also had a hand in the dollar's late improvement, dealers said.

If the Fed hadn't entered the market, there would have been a bloodbath, one dealer remarked. He noted that the Fed presumably had entered the market late yesterday as well, giving rise to speculation that U.S. authorities may have adopted a more aggressive strategy in supporting the currency.

Meanwhile, the price of gold was fixed at successive record highs in London of \$222.00 an ounce in the morning and \$223.50 in the afternoon, compared with yesterday's peak of \$221.40. However, the dollar's late rebound undercut the

price of bullion, which closed in London at \$222.50, compared with \$222.00 late yesterday.

Currency traders mentioned last weekend's announcement by the Swiss National Bank of a package of measures aimed at lowering the value of the Swiss franc. The Swiss central bank said that it would in-

tervene in the market in an "energetic" way and it could count on the support of "friendly" central banks insofar as their objectives concerning monetary policy would not be jeopardized by common action.

The phrase "friendly" central banks was initially taken, to mean

the authorities in West Germany, the Netherlands and Belgium, and indeed the Dutch and Belgian central banks have been active participants in the market this week. But dealers have been puzzled by lack of any significant official intervention by the Bundesbank. Some traders now are saying the Fed may have decided to "join the club."

The Swiss National Bank is understood to have bought about \$290 million today plus \$60 million Belgian francs in an effort to de-

flate the Swiss franc's exchange rate. In addition, the Bundesbank apparently bought \$60 million and 160 million Belgian francs. The Bank of Japan absorbed about \$15 million in Tokyo trading, sources said. Also, the Swiss central bank reportedly bought \$400 million yesterday and around \$280 million Monday.

Snake Pressure

The dollar's extreme weakness against the Deutsche mark was seen as stemming from the efforts of the Swiss authorities to weaken the franc, especially vis-a-vis the Deutsche mark, coupled with speculation that the mark will be revalued if European nations go ahead with plans to form a new monetary system next year. Given the current parity grid of the European joint currency float, or snake, the guild and Belgian franc have (Continued on Page 9, Col. 4)

### On Discriminatory Legislation

## New Law Seeks to Benefit Americans Living Abroad

By Robert C. Siner

WASHINGTON, Oct. 4 (IHT) — Congress has passed into law language that requires the administration to submit periodic reports on all federal laws that may discriminate against U.S. citizens abroad.

In a little-noticed rider to legislation authorizing funds for the State Department and the International Communications Agency, congressional conferees directed that the first such report, including recommendations for remedial action, be delivered to the House and Senate "not later than Jan. 20, 1979."

This language, which was accepted by both houses as part of the compromise bill, was offered by Sen. George McGovern, D-S.D. The overall legislation is certain to be signed by President Carter.

Periodic Review Set

In the amendment, Sen. McGovern noted that "American citizens living abroad should be provided fair and equitable treatment by the United States government with regard to taxation, citizenship, veterans' benefits, voting rights, Social Security benefits and other rights and benefits."

To promote this goal, "a periodic review of laws and regulations affecting Americans living abroad" was ordered, with the first report to come on or before Jan. 20.

This report, according to language in the bill, would:

Passage Is Hailed

The passage of the bill containing the amendment was hailed by spokesmen for various U.S. citizens groups abroad. It had the strong backing of the overseas arms of both the Democratic and Republican parties and a new group, American Citizens Abroad, which was formed recently to try to present the concerns of U.S. citizens overseas to Congress.

Andrew Sundberg, a spokesman for the group, urged all Americans abroad to take advantage of the new law to present examples of the inequities suffered by U.S. citizens overseas. He added that ACA would collect and correlate these grievances for the administration officials making the required report.

He added that Americans overseas wishing to join in the effort could write to American Citizens Abroad at: 157 Route du Grand Lancy, 1213 Onex, Geneva, Switzerland.

### World Court to Open Aegean Sea Hearings

THE HAGUE, Oct. 4 (Reuters) — The World Court said today it would open public hearings Oct. 9 on the dispute between Greece and Turkey over the Aegean Sea continental shelf. The hearing will enable the court to decide whether the case falls within its jurisdiction.

Greece took the issue to the UN body Aug. 10, 1976, after Turkey sent a research vessel to take seismic soundings on the continental shelf. Turkey says the court does not have jurisdiction in the dispute.



Black smoke and flames rise from oil-storage facility destroyed during shelling of an industrial suburb of Beirut.



## 20,000 Blacks Face Relocation

## S. Africa Plans to Raze Last Big Squatter Camp

By John F. Burns

PRETORIA, South Africa, Oct. 4 (NYT) — Despite the risk of an international furor, the South African government is pressing ahead with plans to demolish the Crossroads squatter camp outside Cape Town and forcibly remove most of its 20,000 black inhabitants to a remote rural area that many of them have never seen.

Officials confirmed today that plans have been made to move at least some of the Crossroads residents to a plot of land on the border of the Transkei homeland, 500 miles east of Cape Town. Workers at the site, known as the Bridge Farm, have cleared roads and have installed running water and toilet facilities.

The demolition of Crossroads, expected as soon as the Bridge Farm site is ready, threatens to intensify the Prime Minister, P. W. Botha, with his first racial crisis since being elected to head the government last week. When he assumed office, Mr. Botha pledged to apply what he called "a positive policy" to improve race relations within the framework of existing apartheid doctrine.

## Compromise Hoped For

The plight of Crossroads has been widely publicized at home and overseas. Among opponents of apartheid, there were hopes that Mr. Botha might compromise on the squatter issue as a demonstration of good will toward the black community. However, newspapers reported today that a major crackdown has begun against black squatters at camps around the eastern industrial city of Port Elizabeth, long a center of black unrest.

The Star of Johannesburg reported that government officials last week began burning shanties in the city and arresting fleeing inhabitants. A local official was quoted as saying that the crackdown will not be halted until the squatter settlements in the area have been "entirely cleaned out" and the

squatters driven back to the rural areas.

The newspaper's correspondent reported that some shanties were burned before residents had time to remove their furniture and belongings, a claim that the government denied.

The purge of squatters' settlements is in line with government policy that sharply restricts the right of blacks to live and work in the urban areas of the country, which apartheid theory reserves for whites. Black migrant workers, licensed to take jobs in the cities but not to bring their families with them, frequently build shanties for their families rather than live in the austere men's hostels assigned to them.

Anti-apartheid groups have pleaded with the government to accept the squatters and to help them upgrade their settlements.

## Government Cites Crime

But officials, arguing that the camps represent a serious crime and health problem, have insisted that the camps be torn down and their "illegal" residents removed, at government expense, to the rural "homelands" assigned to their tribal group. Church groups and other bodies that have argued that health and crime figures show the Crossroads camp to be no worse than many other residential areas in Cape Town.

Last year, the government dispatched bulldozers and police with dogs to clear the smaller black settlements in the Cape Town area. The action left only Crossroads, the biggest of the black squatter camps in the region.

Last month, the police mounted several night raids on Crossroads, adjacent to Cape Town airport. The raids, ostensibly in search of blacks without permits to be in the Cape Town area, resulted in several hundred arrests and the death of one man shot in a struggle with police.



A Christian mother, child cradled in her arms, stands beside the ruins of their home in Beirut.

## Beirut Fighting Spills Into New Areas

(Continued from Page 1)

furnishing his war-gutted establishment, put a "for sale" ad in the newspapers.

"This is sheer madness. I've had it," Mr. Mashek said, adding that he is willing to take almost any loss to sell and get his family out. The embattled Christian quarter, which largely escaped damage during the earlier civil war, has been dubbed "Stalingrad" after the city that was almost depopulated at the end of its famous siege.

## Streets Impassable

Streets in the area are impassable because of the chunks of concrete, shattered glass and felled telephone poles. Officials in the eastern sector believe that more than two-thirds of the 600,000 Christians here have fled to the mountains or the country. The remainder, mostly poorer residents, have stayed behind to support the militia or to protect their property from looting.

On a tour of East Beirut during a lull early this week, correspondents were shown dozens of unexploded shells, some weighing 250 pounds. "I think this is in some ways worse than the civil war," said a British diplomat who was here dur-

ing the 19 months of that conflict. "These big guns weren't operating then. It was mostly a light-arms war."

## Many Civilian Casualties

Experts say that the heavy artillery, mortar and rocket barrages — mostly from Syrian guns — are responsible for the high civilian casualty toll, estimated as high as 90 percent. Heavy-shell fire is less accurate and more indiscriminate in its destruction than small arms aimed directly.

The 1975-76 civil war took more

than 37,000 lives, many of them combatants.

The current fighting, which up to this week was localized in the eastern sector of the capital, is now being carried to the northern mountains, the home of the Maronite Christians who make up much of the rightist militia force.

Veteran observers believe that the Syrians may soon launch an offensive against Junieh, the unofficial Christian capital 12 miles north of Beirut, the only remaining supply port for the militia.

## U.S. Backs French Effort To End War in Lebanon

(Continued from Page 1)

Council, according to informed sources. Syria has indicated that it opposes such a meeting.

French diplomats said they were reluctant to convene a Security Council meeting to act on Lebanon because the procedure would be cumbersome. Even if there were no Soviet veto, the move would incur

the displeasure of Syria and the other hard-line Arab states.

Syria's Mr. Assad said today that the Lebanese government has failed to make the best possible use of Syrian armed forces stationed in Lebanon.

"We note that the Lebanese government has not always used its armed forces in the most propitious manner," he told a news conference in East Berlin.

Of the latest outburst of fighting in Lebanon, Mr. Assad said that Syria "is not an involved party." He declined to comment on the substance of the French proposal, saying, "This is not our business, but strictly a matter for the Lebanese."

Mr. Assad then headed home, cutting short his visit to East Germany and canceling a planned trip to Moscow.

## Vance Meets Waldheim

Secretary of State Cyrus Vance met today for the second time in three days with Secretary-General Kurt Waldheim. U.S. officials said Mr. Vance also was talking with key members of the Security Council "about lending support to peacemaking efforts."

Mr. Vance also met with Saudi Arabia's foreign minister, Prince Faisal, at the United Nations, and U.S. officials said it was understood that the Saudi government is working "to end the armed confrontation in Beirut."

The Saudi government has contributed most of the funds to keep the Syrian troops stationed in Lebanon, where their original role had been to try to keep peace during fighting between Palestinian-backed Muslims and Christian militias.

It was understood that the United States had urged Syria and Israel through diplomatic channels to exercise the fullest possible restraint in the current deteriorating situation, in which Syrian forces and Maronite Christian militias are battling at each other with heavy artillery in Beirut.

There was concern that, if Syrian forces cracked down too strongly on the Christian militias, the Israelis, who support the Christians, might intervene with force. This could conceivably impede the Egyptian-Israeli peace treaty, which grew out of the Camp David summit meeting.

They said the passport of a 54-year-old woman was found nearby, but the body was that of a much younger woman. A handbag containing two empty bottles of rubbing alcohol also was found.

The body was discovered by passers-by east of Windsor Castle, a royal residence.

The immolation followed by two days that of 24-year-old Lynette Phillips of Australia, who burned and killed herself outside the Palace of Nations in Geneva.

## Peacemakers Thwarted

## Beirut: A Tangle of Disputes

By Edward Cody

WASHINGTON, Oct. 4 (WP) — While peace between Egypt and Israel has never seemed closer, renewed fighting in Lebanon poses serious new dangers to the Camp David atmosphere of accord in the Middle East.

President Carter's public appeals last week and Secretary of State Cyrus Vance's consultations at the United Nations underscore deep concern in Washington and other Western capitals over the battles between Syrian troops and Lebanese Christian militias.

In trying to translate that concern into action, however, would-be peacemakers face a bewildering — and explosive — tangle of politics, diplomacy, religion, clan loyalty, blood feuds, ethnic rivalry and mean street gunners.

The 3½-year-old civil war in Lebanon is rooted in seemingly irreconcilable disputes among the country's 3 million inhabitants and in tensions across the Middle East.

## Main Adversaries

The main adversaries in the current fighting are the 30,000 Syrian troops in Lebanon and the Maronite Christian fighting forces — the militia of Pierre Gemayel's Phalange Party and the Tigers militia of former president Camille Chamoun's National Liberal Party.

In the background are hints from Israel that it could intervene in Lebanon again if, in its judgment, the Syrians go too far in their attacks on the Christians. Israel has been notably tight-lipped in the latest explosion, however, reflecting the fears that the momentum of Camp David could be slowed or even reversed if Israel and Syria were drawn into a confrontation over Lebanon now.

Israel has helped arm the Christian militias and has provided their youthful gunmen with training. The aid is aimed at preventing transformation of Lebanon into a more "Arabized," pro-Syrian nation that would turn the rocky southern Lebanese hills overlooking Israel's Hula Valley into a new front in the event of another Middle East war.

Tensions mounted rapidly in Lebanon with announcement of the Camp David accords, which on the surface at least seemed to precipitate the new round of fighting.

## Palestinians Blamed

On the one hand, Christians complained that the Camp David framework for the West Bank and Gaza left no room for return of an estimated 400,000 Palestinians in Lebanon. The Palestinians, who helped arouse Moslem dissatisfaction and fought alongside Moslems in the original civil war, are in Christian eyes the underlying cause of Lebanon's problems.

On the other hand, some observers said that Syrian unhappiness with the accords also helped touch off the weekend explosion because Damascus was eager to raise tensions and prevent the accords from being carried out.

Based on experience of Lebanon's recent tortured history, the presence of heavily armed Syrian troops on one side of a Beirut street, with equally heavily armed Christians on the other side, was in itself a formula for clashes that easily could grow into all-out shelling.

Unplanned street clashes that eventually grew into battles had a heavy impact on the civil war that broke out in April, 1975. At its beginning, the conflict included:

• Conservative Maronite Christians, mainly Mr. Gemayel's Phalange Party, Mr. Chamoun's National Liberals and the mountain warriors of former President Suleiman Franjeh.

• Leftist forces, mainly Moslems, under the overall leadership of Socialist leader Kamal Jumblatt and including the Nasserite Murrabi-

## Ceremonies In Vatican

(Continued from Page 1)

masses of believers to him by meeting their spiritual needs, the cardinal said. He noted that today's audiences for the deceased pontiff had been more than usually packed and that large crowds had "literally filled" St. Peter's Square to listen to him and receive his blessings on Sundays.

The body of the pontiff had lain in state in the basilica since Sunday. Hundreds of thousands of persons have filed past his bier since then.

When rain started pouring halfway through the Mass, attendants hurriedly brought a richly adorned gold-colored canopy to protect Cardinal Concalloni. Other attendants with umbrellas appeared from inside the church and stood behind each cardinal while the several hundred lower-ranking prelates from archbishop on down opened their own umbrellas.

Umbrellas went up also in the square. Many of the worshippers wore anoraks in bright colors. There were almost no defections from the crowd during the down-pour.

## Ruling System

Syrian soldiers first entered eastern Lebanon along the Syrian border to undermine the insistence of Damascus that Mr. Franjeh and his Maronite allies bow to Moslem demands for a greater share of power in the Christian-dominated Lebanese ruling system.

But Syrian President Hafez al-Assad, in a dramatic and unforeseen shift, suddenly switched sides in June, 1976, and began shelling his former Palestinian allies in the mountains well inside the country. He later explained that Mr. Arafat and Mr. Jumblatt had rejected his advice that they compromise and had schemed to inflict a decisive defeat on the Christians in order to turn Lebanon into a Moslem-run state with a strong Palestinian role.

By the time Syrian tanks advanced down the hillsides into Beirut in November, 1976, Mr. Assad's troops had become the backbone of a pan-Arab force that was set up to maintain peace in Lebanon by a pair of Arab summit conferences sponsored by Saudi Arabia.

The Syrian firepower far outstripped any force then in Lebanon. They had two missions: to stop the street fighting in Beirut and to give some muscle to efforts by President Elias Sarkis to reimpose state authority.

## U.S. Backing

Mr. Assad had the firm, if quiet, backing of the United States for his peacemaking operation. Special

Stages Was Set

It was his failure to do so over almost two years that set the stage for the increasingly violent fighting between Mr. Assad's forces and the Maronite Christian street fighters loosely allied under Mr. Chamoun in the Patriotic Front.

Despite repeated attempts, Mr. Sarkis has never persuaded the Christian militias to turn over their abundant supplies of M-16s and AK-47 Kalashnikov assault rifles, 50-caliber machine guns, 106mm recoilless rifles, anti-aircraft artillery, 155mm howitzers and tanks, along with some French-made rockets.

Several prominent ministers such as Nabawi Ismail, the minister of interior, and Abdel Razek Abdel Maguid, the minister of planning, retained their posts. Others replaced included the ministers of finance, irrigation and transportation and communication.

The cabinet's composition also indicated that Mr. Sarkis is expecting greater cooperation from the People's Assembly. This spring, he cracked down on two unruly opposition parties in the parliament after his own majority party proved ineffective.

The secretary-general of Mr. Sarkis's new National Democratic Party, Fakri Makram Elbeid, was appointed the only deputy premier in the new Cabinet and given responsibility for the parliament's affairs. A new minister of state and nine undersecretaries will help steer Mr. Sarkis's policies through the unicameral legislature.

In other changes, the Ministry of Information and Culture was abolished. The responsibilities for culture were grouped under the Ministry of Education. The state information service, Cairo radio and television and the semi-official Middle East News Agency are reportedly becoming independent.

Reopening of the bases will clear the way for the United States to resume close-range intelligence-gathering on the Soviet Union, across the border from Turkey, a NATO member.

A Turkish government announcement after a 4½-hour Cabinet session said that electronic intelligence-gathering stations at Sinop, on the Black Sea coast, at Diyarbakir in eastern Turkey, at Belbasi near this capital city, and a navigational base at Kargaburun, north of the Sea of Marmara, would resume operations by Oct. 9.

It said a fifth base at Karamursel, in western Turkey, would be turned over to the Turkish armed forces. Sources said all the installations were maintained during the shutdown.

Mr. Owen continued: "Salibury must understand that if we are to be involved, the authorities in Salisbury must accept United Nations involvement as well. But we will not go it alone. Britain will fulfill her responsibilities but will not embark on a new desperate act of colonization."

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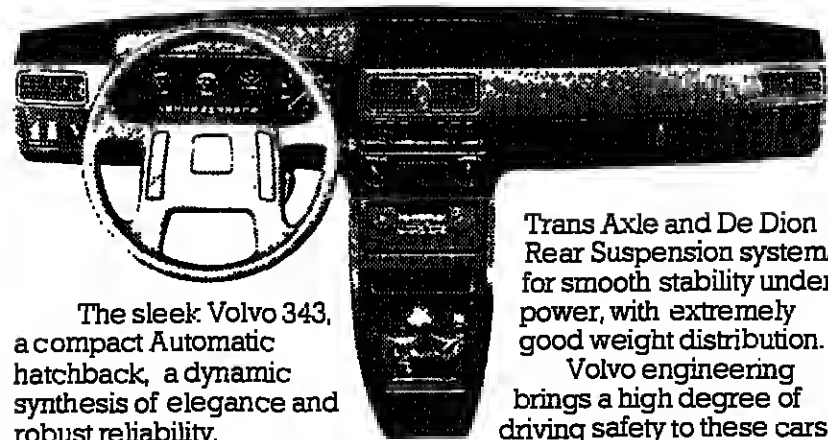
Mr. Owen continued: "Salibury must understand that if we are to be involved, the authorities in Salisbury must accept United Nations involvement as well. But we will not go it alone. Britain will fulfill her responsibilities but will not embark on a new desperate act of colonization."

Reopening of the bases will clear the way for the United States to resume close-range intelligence-gathering on the Soviet Union, across the border from Turkey, a NATO member.



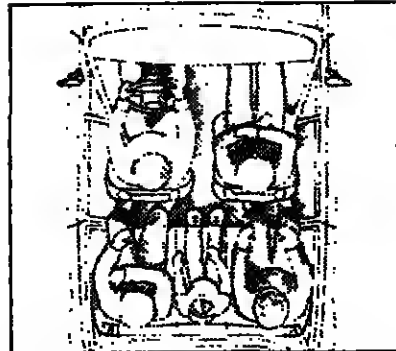
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Herald Tribune



## Lavish Lifestyle Enriches Community

## Cleveland Is Cashing In on King Khaled

By Rudy Maza

CLEVELAND, Oct. 4 (WP) — A few blocks from the medical clinic where Saudi Arabia's King Khaled underwent open-heart surgery is PJ's Auto Wash. A new portable sign bills the place as "The King's Car Wash."

"I told the king's staff to 'just consider this your car wash,'" boasted Vince Capello, part-owner of the place where the limousines leased by the king and his entourage of more than 200 are washed-free. Mr. Capello said he is delighted that the king is in Cleveland.

He is not alone. Hotel bellboys who find themselves holding \$100 bills as tips are happy that the king and his friends are in town. So are wealthy suburbanites who have wanted to rent their houses to the royal family ever since news leaked that a Cleveland Heights home was to be leased for \$20,000 a month. (Media attention soon killed the deal.)

Suddenly Cleveland is, in effect, the unofficial capital of Saudi Arabia, and the city is in the grips of Saudi fever. Arabs dressed in Western suits, paying for goods and services in cash, have roamed all available limousines, brought in several from Washington, and reserved entire floors of hotels.

The king arrived in Cleveland by private jet last Wednesday for cardiovascular tests at the renowned Cleveland Clinic. He was greeted by Chip Carter, the president's son.

## 7-Week Recovery

The surgeon who performed a six-hour open-heart operation yesterday on King Khaled said that procedure went well, but that the king probably will remain hospitalized at least seven weeks, Associated Press reported. The king was listed in satisfactory condition.

[Dr. Floyd Loop, head of the hospital's department of thoracic and cardiovascular surgery, said



King Khaled of Saudi Arabia, left, conferring Monday with Defense Minister Prince Sultan bin Abdul Aziz before the king underwent open-heart surgery in a Cleveland hospital.

that two pieces of vein were removed from the king's leg and grafted to his coronary arteries and aorta. The operation allows blood to bypass blocked portions of the artery and reach the heart.)

A limousine sent to Cleveland by the White House took the king from the airport in the clinic, where he had undergone heart surgery in 1972. As he walked toward the hospital door, the king smiled and waved to several hundred spectators, then entered wing of 30 rooms — sealed off exclusively for his use and redecorated for his arrival. That was the last the press and the public saw of him.

A Camp David-like curtain of secrecy fell over the Arab presence. The hospital had been forbidden to say anything about its famous patient, his family and

hospitals housing the royal retinue say nothing to strangers.

The impact of the Saudi presence is visible in the money and logistics of housing a head of state:

• In the Park Plaza Hotel, adjacent to the Cleveland Clinic, the Saudi Arabians have 81 rooms reserved at a nightly cost of \$3,115. Most are about \$43 each, but Prince Abdullah bin Ghalib's suite is \$225 a day, which makes Princess al-Anoud's \$150-a-day suite seem like a bargain.

• The newsstand of the Bond Court Hotel — one of four hotels in which the Saudi Arabians have set up camp — offers a modest display of Pierre Cardin jewelry. One day an Arab bought \$1,600 worth of the store's stock.

• A bellboy at the Bond Court showed his colleagues a tip he

had received — 300 Swiss francs, about \$180. Since bellboys agree to share large tips, he was dismayed.

• The king's chef's work with the regular kitchen staffs of the hotels, preparing Arab dishes. Coffee shop menus, printed in Arabic, offer chickpea dip and lamb dishes. Their hours have been extended to accommodate the Arab custom of late dinners. Room service charges are considerable, with \$50 baskets of fruit ranking as a favorite snack.

• An armored car arrives at the hotels each week to pay the king's staff in cash.

In the wealthy hunt country southeast of the city, homeowners who see quick profit in the Saudi Arabians' willingness to pay huge sums for short-term luxury rentals are calling real estate brokers to offer their homes for rent.

One of Cleveland's premier estates, Roundwood Manor in Hunting Valley, reportedly was offered to the Saudi Arabians at no charge by its owner, Joseph Hudka, a gasket-company mogul. They appear to have accepted the offer.

## Entourage Secret

Still secret is just who is with the king. Each day one of his princes, the defense minister, Prince Sultan bin Abdul Aziz, visits the king in the afternoon and evening.

A list of reservations at the Park Plaza reveals a number of chefs, military aides, physicians and Ghalib Pharoan, the Saudi financier who helped bail Carter out of his financial difficulties by purchasing Mr. Lance's stock in the National Bank of Georgia for \$2.4 million.

Except for salesclerks, about the only Middle East natives who have met the Middle East visitors are bar patrons. Despite a Moslem rule against drinking, some of the Saudi aides are open about moderate drinking.

## Value for Money Is Seen as Key to U.S. Tax Revolt

By Barry Sussman

WASHINGTON, Oct. 4 (WP) — Americans are not nearly as angry at how much they have to pay in taxes as they are at how little they get from government in return, a national poll by The Washington Post suggests.

The results indicate that the so-called tax revolt movement across the country is aimed less at taxes themselves than it is at the quality of government service it buys, the poll says.

People in all regions say, by 3 to 1, that they would vote for any measure, such as California's Prop-

osition 13, that would cut federal, state or local taxes. At the same time, however, two out of three say they would prefer to see taxes kept at present levels — if only government could be made to work — rather than have taxes and the level of government services reduced.

When asked what they considered the nation's most important problem, only 5 percent said tax burdens — exactly the same percentage as in a Gallup Poll taken 15 years ago.

That does not mean, of course, that people are unconcerned about taxes, but it does put a somewhat different light on the matter. Many

people see tax cuts as a way of eliminating waste in government and of forcing public officials to become more efficient. Many others feel government will not become more efficient even with sharp tax cuts.

In all, seven of every eight persons in survey said they were more concerned about the way tax money is spent than about the amount of taxes they pay. The great majority do not want cuts in specific programs.

Their real concern, the survey indicates, is that it is the bureaucracy — not the public — that benefits from tax cuts. Tax money is seen as

largely wasted at every level of government, seen as pouring into padded payrolls for employees who are overpaid, lazy, discourteous and inefficient.

The Post poll, in which 1,756 people were interviewed by telephone from Sept. 7 to 17, comes at a time when taxes are a key issue in referendums and elections across the country. On the ballot in some states are measures, like Proposition 13, that would slash local property taxes. Other states have proposals to the state taxation and spending to growth in personal income.

## U.S., Chinese Discussing Deal For Communication Satellite

By Robert C. Toth

WASHINGTON, Oct. 4 — The United States and China have begun preliminary negotiations for the sale and launching of a communication satellite that would provide a Chinese domestic communications network, the Los Angeles Times reported yesterday.

A team of Chinese telecommunications experts will arrive in the United States this week to shop for ground stations and associated equipment for the network.

[The State Department confirmed today that "preliminary" negotiations are under way on a U.S. role in launching a domestic communication satellite for China, UPI reported.]

"These are very preliminary discussions . . . and no agreements have been reached so far," said a State Department official. The official would not disclose the names of the U.S. firms that would be involved in any eventual sale and launch from U.S. facilities.

The U.S. government has provided export licenses for the sale and launching of first-generation communication satellites of the Westar-1 type to Indonesia and Canada in recent years. Hughes Aircraft Co. received about \$180 million from Indonesia for the satellite, its launching and about 30 ground stations.

Despite the precedent, there is apprehension that the Soviet Union will react angrily to such a deal with China, if it goes through.

## Military Potential

While ostensibly a civilian system, any space communications network has a military potential. It will greatly improve Peking's contact with military units along its 4,000-mile border with the Soviet Union, for example.

The communication-satellite talks are the latest instance of the growing scientific and commercial relationship that has emerged between Peking and Washington in the past year.

After the death of Mao Tse-tung and the ouster of the "Gang of Four," Peking leaders apparently decided that relations with Washington could be improved, despite continued U.S. ties to Taiwan.

Earlier this year, China announced its intention to modernize its scientific and technological capability in order to improve its agriculture, industry and defense efforts. Scientific and commercial activities between the two nations quickly boomed.

The first long-term scientific exchange program since 1949 is occurring at Fermi National Laboratories near Chicago, where Chinese nuclear physicists are studying the high-energy accelerator for up to six months. The number of such "noncommercial delegations" to the United States has at least tripled this year over last, accord-

ing to the National Academy of Sciences.

• China wants to send hundreds, perhaps thousands, of students to U.S. universities. There are now only five such Chinese students, but more than 500 are expected by the 1979-80 academic year, mostly in science and engineering.

• Commercial trade, mostly in grain, is expected to double this year. U.S. sales to China will exceed \$700 million. Last year China sent six trade groups to the United States; this year it has sent more than 20.

• Last year U.S. firms held about 12 technical sales seminars in China; this year, between 30 and 40 will be held, according to Business Week magazine.

China has been negotiating with a number of U.S. firms, including steel companies and oil-prospecting enterprises. Space communications is the latest addition to the list.

The Chinese have petitioned the

International Telecommunications Union, which allocates radio frequencies around the world, for two satellite "slots" in stationary orbit 22,300 miles high.

China has not shown itself capable of launching a satellite into high orbits, however, and therefore was widely expected to contract with Japan, the United States or a European national consortium for the launching. Expectations also were that it would buy, rather than manufacture, the satellite or satellites.

China has three large satellite group stations, with 100-foot-diameter dish antennas, for international communications via the Intelsat network.

Now the Chinese reportedly want smaller, mobile stations with collapsible antennae having a 30-foot spread. Mounted on trailer trucks, these antennae could be taken to distant parts of that vast country and set up easily.

© Los Angeles Times

## U.S. Eases Entry Process For Americans

WASHINGTON, Oct. 4 (UPI) — In the first major reform of the customs process in 20 years, President Carter has signed a bill to make entering the country "a quicker and more pleasant experience" for travelers, the White House said today.

The law increases personal exemptions for travelers from \$100 to \$300, sets a 10 percent duty for all tourist purchases, and expedites passenger clearance.

Mr. Carter said the bill was the first major legislation in more than 20 years to streamline customs clearance of merchandise and passengers. His statement noted that in 20 years, the value of U.S. imports and duties collected has increased fivefold and the number of travelers has doubled from 130 million to 270 million.

## Danger Seen to U.S. Oil Interest

## Sale of Drill Plant to Russia Is Assailed

By Don Oberdorfer

WASHINGTON, Oct. 4 (WP) — A senior Defense Department official and a Pentagon consultant testified yesterday that the Carter administration approved the sale of sophisticated drilling technology to the Soviet Union without coming to grips with the most important issue — whether it is in the U.S. national interest to assist Soviet oil and gas development.

The undersecretary of defense for research and engineering, William Perry, told the Senate Investigations Subcommittee that there is "no doubt" that the controversial export of a complete plant for making rock drilling bits will give the Soviet Union an enhanced capability for producing oil.

Mr. Perry said the major policy question is the "profound economic and political impact" of the plant on the Soviet future rather than "a red herring" issue of diversion to military uses. He reported that late in August, the Pentagon recommended that export of the plant by Dresser Industries of Dallas be halted pending a review of overall U.S. policy toward Soviet petroleum development.

President Carter on Sept. 6 rejected advice from the Pentagon, the Energy Department and his national security adviser, Zbigniew Brzezinski, that the sale be suspended. Siding with the Commerce and State departments, he allowed the export to go forward while he ordered a study, now under way, of the basic U.S. interest involved.

Fred Bucy, president of Texas Instruments Inc., who studied the export in late August as a special Pentagon consultant and advised

against it, called sale of the plant and its technology to the Soviet Union a decision which "can change the course of history." Mr. Bucy said the drilling technology can assist the Soviet Union to develop its energy resources independent of further U.S. and Western support and may give the Russians the capability in the late 1990s to compete aggressively with the United States in drilling operations in the major oil-producing areas of the world.

Mr. Bucy urged that the United States retain its options by withholding export of the plant until the broad question of aid to Soviet development is settled in a national debate.

The Soviet Union is the world's leading oil-producing country, but, according to some forecasts, will be unable to produce enough to meet its needs and commitments in the mid-1980s.

One school of thought in the U.S. government and elsewhere is

## Soviet Jew Denied

## Visa to Go to U.S.

MOSCOW, Oct. 4 (UPI) — Alexander Lerner, a Jewish activist, said yesterday that Soviet authorities have refused him a visa to go to the United States to accept offers of teaching and research work in U.S. universities.

Mr. Lerner, 65, a computer scientist, told Western reporters he had applied last month for a one-year visa. He said Soviet authorities informed him that his application would not be considered. Mr. Lerner was denied permission to move to Israel in 1971.

that troubles for the Soviet Union are beneficial to the United States and that Washington should do nothing to alleviate them. An opposing school of thought is that forestalling a future Soviet energy crisis, and therefore easing the worldwide oil shortage, is in U.S. as well as Soviet interests.

John Murphy, senior vice president of Dresser, the exporting firm, told the subcommittee that the Soviet Union could have provided essentially the same deal if the U.S. companies were ruled out of the running. Mr. Murphy said that the Soviet Union is more active and sophisticated in deep-well drilling than Mr. Bucy's report to the Pentagon indicated.

Sens. Henry Jackson, D-Wash., and Charles Percy, R-Ill., chairman and ranking Republican on the subcommittee, protested Pentagon foot-dragging in supplying information about the course of decision-making on the Dresser case.

According to staff investigator Peter Sullivan, the original Pentagon technical evaluator of the proposed sale, Dr. Lloyd Lehn of the Office of Defense Research and Engineering prepared a written recommendation May 25 that the export license be denied on military grounds. However, a higher official, Col. John Hager, instructed Dr. Lehn to change his memorandum so that it only summarized technical facts and did not make state a recommendation, according to Mr. Sullivan.

The investigator reported that the Pentagon on May 30 approved the initial Dresser export license, and that action was put through on a rush basis.

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That's still not everything. The P 5002 has many special features and facilities:

multiple margins, up to nine completely independent columns of information can be constructed, each of which can be revised without affecting the others; graphics, horizontal and vertical lines can be drawn and printed, ideal for tables, block diagrams and flow charts; glossary, important words or phrases can be compiled into a list together with page numbers and the context in which they appear; selective search, specify the information you require and it will select from file all the relevant items; locate and replace, up to eighteen specified words or phrases can be automatically located and replaced by predefined substitutes; library function, provides immediate access to frequently-used words and phrases, so the P 5002 can take the drudgery out of time-consuming, repetitive tasks such as forms filling and typing streams of personalized letters.

These are just a few of the standard features of the P 5002. There's a lot more to come. And there's a wide range of options that even further increase its flexibility and proficiency. All-in-all the Philips P 5002 brings a whole new meaning to office efficiency. It increases productivity. Improves quality and turn-round of typing. And helps to create a more enjoyable working environment. Which is a lot more than just simplifying typing, but no more than you'd expect from one of the world's leading producers of office equipment and systems. If you're still not convinced, send the coupon for further information. Or contact your local Philips organization.

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## Upcoming Mediation Bid Parley Called Last Chance To Get Somoza to Resign

By Alan Riding

MEXICO CITY, Oct. 4 (NYT) — The Carter administration is said to be making a final mediation effort to get Somoza to resign. The administration is said to be making a final mediation effort to get Somoza to resign. The administration is said to be making a final mediation effort to get Somoza to resign.

The officials added that Washington's objective in the mediation was to obtain the resignation of the Somoza regime and see it replaced with a transitional government that would prepare Nicaragua for free elections.

However, they pointed out that the U.S. will be participating in the negotiations, and that the mediation team also includes representatives of the Dominican Republic, public and Guatemala. The Dominican Republic's new Social Democratic government reportedly favors Gen. Somoza's departure. Guatemala's military regime is known to sympathize with the Nicaraguan dictatorship.

Adding to the mood of pessimism about the likely outcome of the mediation, Gen. Somoza continues to insist on remaining in office until his current six-year term ends in May, 1981. His family has been in the Somoza family since 1933, and his last weekend, Maj. Anastasio Somoza, is currently being groomed to assume the role of his father.

The opposition leadership, while apparently willing to discuss the modalities of Gen. Somoza's resignation, insists that it cannot accept his continuation as president or the presence of his brother, Jose Somoza, and his son in the National Guard.

The opposition's position has been strengthened not only by last month's nationwide strike and popular insurrection, but also by its selection of a three-man political commission authorized to negotiate on behalf of such diverse groups as conservative businessmen and leftist guerrillas.

The political commission itself reflects the breadth of opposition to the regime. Sergio Ramirez Mercado, a 34-year-old academic, belongs to a group known as "the Future," which is the political arm of the guerrillas; Rafael Cordova Rivas, 35, a lawyer, represents a centrist coalition known as the Democratic Liberation Union; and Alfonso Robelo Callejas, a 38-year-old businessman, heads the Nicaraguan Democratic Movement.

But while the opposition agreed to participate in the negotiations only after being reassured by U.S. officials that the purpose of the mediation was to accelerate Gen. Somoza's departure, the country's highly popular leftist guerrillas, known as the Sandinista National Liberation Front, continue their preparations for a new military offensive against the regime.

Talking to reporters in Costa Rica, a Sandinista leader, Victor Manuel Tirado, said that the rebels would have more sophisticated weapons for their next offensive.

The last offensive, which began Aug. 22 when the guerrillas seized 1,500 hostages in the National Palace and was followed by popular insurrections in five cities Sept. 9, was finally put down by the superior firepower of the army troops of the National Guard. Most of the young rebels were trying to fight off aircraft and tanks with pistols and hunting rifles.

Support for Guerrillas  
Since then, however, the Sandinista guerrillas, who insist that they are liberation fighters and not Marxist terrorists, are believed to have received monetary support from political groups in Latin America and Western Europe. Brigades of volunteers are also being formed in Panama and Venezuela to fight alongside the guerrillas.

Even more significant, the governments of Panama, Costa Rica and Venezuela are openly hostile to the Somoza regime and are expected to step up their support for the opposition if the mediation effort fails to secure the president's early resignation.

U.S. officials point out that the most difficult part of the mediation will be to persuade Gen. Somoza to step down along with his brother and son.

If Gen. Somoza refuses to resign, however, Washington may face an even more complex dilemma. "The question then will be what power we're willing to exercise to force him out," the officials said, "and that, we're not prepared to speculate about yet."

The officials nevertheless recognized that the mediation effort had merely bought a few weeks of respite which would end either with Gen. Somoza's resignation or with a new explosion of violence.

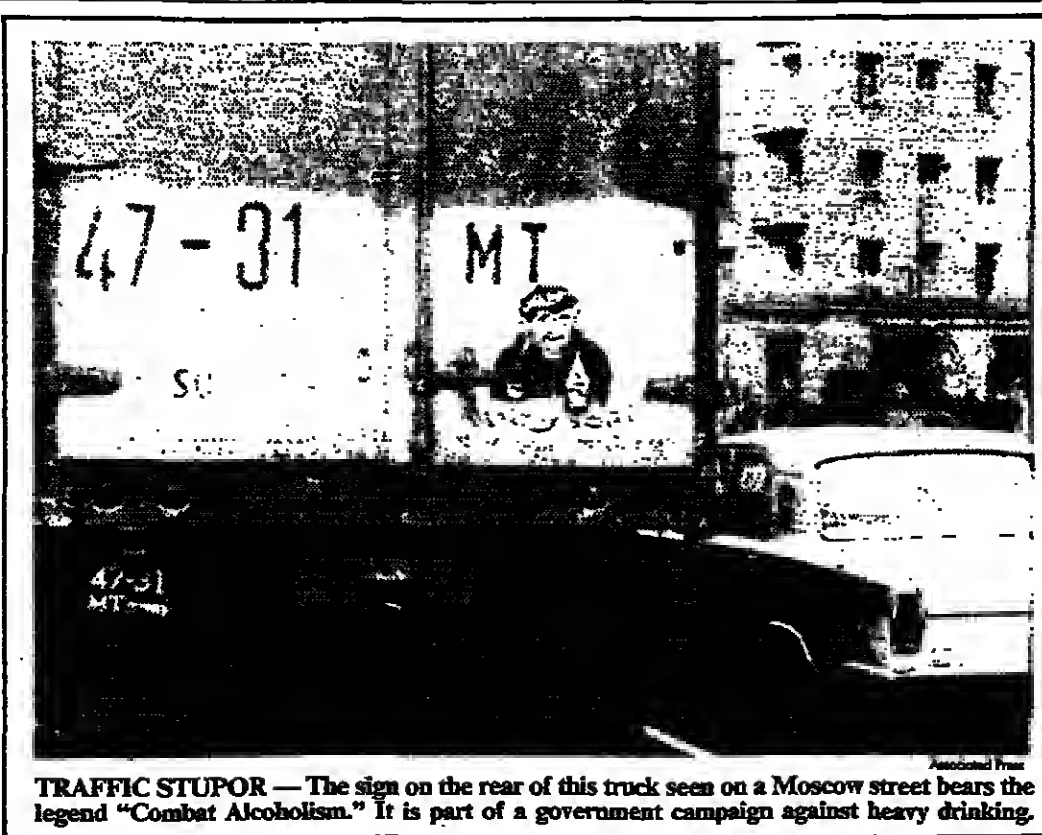
Resistance Strains  
The Philippines and Indonesia, major rice-growing countries, have overcome this by planting a newer strain developed by the International Rice Institute in the Philippines, called IR-36. It is in short supply because of its newness and the great needs of Indonesia and the Philippines, but the official said that at Vietnam's request, the United Nations Food and Agriculture Organization will attempt to procure some for Vietnam, as well as pesticides and spraying equipment.

However, the official said, not enough IR-36 can be made available to meet Vietnam's needs for the next planting season. He said that Vietnam would have to devote an important part of the seeds it may obtain to multiply seed rather than grow rice for food.

The expert reported that the brown planthopper plague has been building up in Vietnam since last year. Vietnam tried to cope with it by its own devices but had to turn to the UN body for assistance this year. Two FAO missions have visited Vietnam this year, one for the fungus blight in the north, the other for the brown planthopper epidemic.

Lack of Spare Parts  
The official said that he saw many fields that were totally brown from the effects of the insect, which sucks the sap of the plant. The condition is called "hopper burn" and is familiar throughout Southeast Asia and the Indian subcontinent. He said that much of the spraying equipment in Vietnam, originally supplied by the United States, was useless because of the lack of spare parts.

"But no pesticides and sprayers alone will solve the problem," the expert said. "Their varieties [of rice] are vulnerable, and they need new seeds from outside."



TRAFFIC STUPOR — The sign on the rear of this truck seen on a Moscow street bears the legend "Combat Alcoholism." It is part of a government campaign against heavy drinking.

## Even U.S. Visitor's Advice Taken Seriously

### Pollution Awareness Grows in China

By Jay Mathews

HONG KONG, Oct. 4 (UPI) — The Chinese have become so desperate for advice on the growing problem of smoke, trash and noise in their capital city that they have enshrined the words of a visitor from a quiet little American city called Pittsburgh.

The leading national newspaper, the Peoples Daily, has taken the unheard-of step of printing a letter written to it by William Block, publisher of the Pittsburgh Post-Gazette, complaining that honking of horns in Peking "made it impossible to sleep at night" and suggesting a noise crackdown.

At the same time, the official Chinese press has decried the growing pollution of all sorts in Peking. In the tradition of a fine old U.S. political custom, the criticism may be also an effort to discredit Peking's current mayor.

The official Chinese news agency expressed the wishful hope that some day one could stand "on the white pagoda in the city's Peihai Park and have a clear view of the western hills" 16 miles away.

#### Skepticism

It is a dream that brings some skepticism in China, particularly in light of the enormous emphasis that the Chinese leadership has put on catching up with the world's industrial giants by the year 2000. The Chinese admit to admiring the economic miracles of Tokyo and Hong Kong, two of the most polluted and officially the noisiest cities in the world.

"We are up to our ears in production work. How can there be time for environmental protection?" was one ill-tempered response quoted by the Peoples Daily to the new anti-pollution campaign.

The fervent environmentalists who write for the newspaper, which has a circulation of 5.5 million, floundered in Marxist gobbledegook searching for an answer to this dilemma:

"These comrades fail to understand the dialectical relationship between the development of industrial production and environmental protection," the newspaper's commentator said. "If we do not view problems from the standpoint of the relationship between things and their development, and only pay attention to current production and no attention to environmental protection, we will end up with no progress in production."

#### Not as Great

Although the city fathers say they are determined to launch a clean-up campaign rivaling that in London and other big industrial cities, their problem may not be as great or as closely related to industry.

Perhaps the worst air pollution in Peking comes from the dust that blows off the North China plain after each fall harvest. By November the whole city looks like it needs to be taken outside and given a good shaking.

As the official press says, however, industrial pollution has also become a big problem. The expansion of urban industry has reached a state of saturation.

This supports other articles that have complained about untreated industrial wastes fouling the Yangtze and Yellow rivers, and about coal burning ruining the air of dozens of Chinese cities.

For a country with relatively few automobiles, urban noise is incredible.

#### Kekkonen to Visit Spain

MADRID, Oct. 4 (AP) — Finnish President Urho Kekkonen will make a three-day state visit to Spain in December, the Spanish Foreign Ministry announced today. It will be the first visit to Spain by a Finnish head of state.

## Despite Comeback of Crops

### Soviet Economy Worsening, CIA Says

WASHINGTON, Oct. 4 (UPI) — The CIA reported yesterday that the Soviet economy is in trouble.

State Department analysts said that the unclassified study might help explain the signs of renewed Soviet interest in détente and disarmament.

The study reported a "marked slowdown in industry, construction and transportation" in the Soviet Union despite a significant recovery in agricultural production because of favorable weather.

It said that the economic slowdown "has been much sharper than Soviet leaders anticipated" and that the Kremlin "will find it increasingly difficult to maintain even the present pace of economic growth."

In both 1976 and 1977, the CIA said, the Soviet economy fell short of targeted goals in steel production, machinery output, energy growth and plant construction.

State Department analysts suggested that the disappointing economic performance has prompted the Soviet Union to turn again to the West for technology and industrial goods.

To accommodate that need, they said, the Soviet Union has had to adopt a more conciliatory attitude toward the Western powers and renew their interest in concluding an early Strategic Arms Limitation Treaty, one of President Carter's prime foreign policy goals.

Marshall Shulman, the State Department's chief expert on Soviet relations, told Congress last week that Soviet-U.S. relations appear to be improving since the severe tensions of the summer.

In addition, senior officials from both nations said that Soviet Foreign Minister Andrei Gromyko and Mr. Carter achieved progress toward a SALT agreement during White House talks last weekend.

Although the CIA report concludes that the Soviet Union will find it difficult to maintain economic growth, it said that much depends on the weather.

"A very good crop will stimulate industrial growth next year by providing sufficient raw materials while at the same time helping the nation's hard currency position by reducing the need for grain imports," it said.

#### Soviet Satellites Up

MOSCOW, Oct. 4 (AP) — The Soviet Union launched eight Cosmos-series satellites into orbit today, Tass reported. The satellites are "designed to continue studies of outer space," and to refine radio telemetric systems for transmitting data to earth information on the workings of the instruments on board.

The study said that a poor crop "will result in a further slowing of economic growth leading to increased spending for foreign grain and making gains in consumption even harder to achieve."

In its 61 years, the Soviet Union has had trouble maintaining its agricultural production at desired levels and in meeting modest demands for production of consumer goods.

## Czech Convicted

### In Jet Hijacking

FRANKFURT, Oct. 4 (AP) — A West German court sentenced a 25-year-old Czechoslovak student to four years in prison today for hijacking a Soviet-built airliner in Frankfurt earlier this year.

The court found Ladislav Molnar guilty of having "interfered with air traffic and of deprivation of liberty in a less serious manner" when he forced the pilot of a Czechoslovak Tupolev 134 to change course to West Germany on Feb. 6.

To emphasize his threats, Molnar wielded a dummy bomb after take-off on a regular flight from East Berlin to Prague. When the airliner touched down at Frankfurt's Rhein-Main airport, Molnar surrendered to the police and asked for political asylum.

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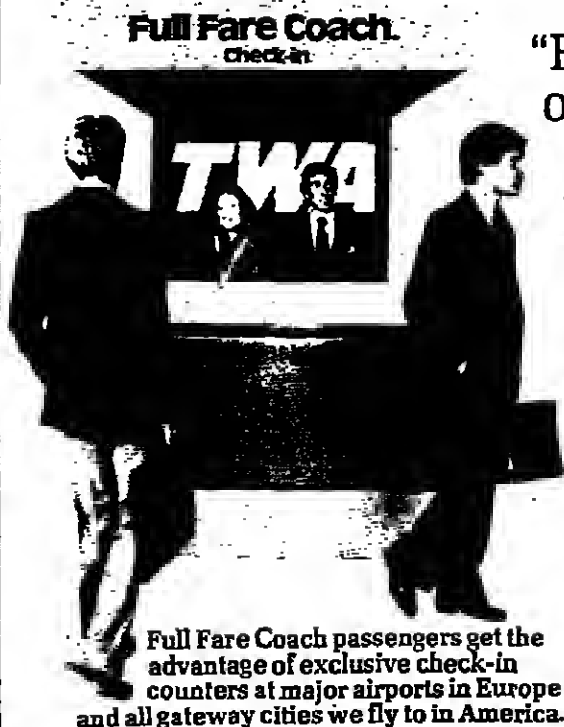
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SWITZERLAND



## The Pork-Barrel Polka

It seems strange that, in this year of Proposition 13 and all the talk about a taxpayers' revolt, a president should find it necessary to denounce, once again, "pork-barrel allocations." But Mr. Carter was absolutely right to do so at his press conference last week. The pork barrel is rolling wildly around on Capitol Hill this fall and Congress is dancing with joy as more and more goodies are stuffed into it.

Those goodies — pet projects of members of Congress who want something for their friends or the folks back home — are not confined to the public-works bill, which the president has threatened to veto. They can be found elsewhere, too — in the highway bill, the parks bill and the tax bill, to mention just a few. Not every project or proposal in those bills can be described as pork. But enough of them can be to make all the bills highly suspect.

The public works authorization bill, for example, directs the Corps of Engineers to build free water systems for Caesar Creek and East Fork Lake, Ohio. The highway bill mandates a rural public-transportation system for the vicinity of Sherman and Denison, Texas. The parks bill creates or expands federal facilities in more than 35 states, including new historic sites in Charles County, Md., and Richmond, Va. The tax bill includes an exception to benefit two large

chicken farms, one in Maine and one in Arkansas. The list goes on and on.

Both parties have a piece of the action. Republicans have been just as busy, and just as successful, as Democrats in putting projects into the barrel. Those water systems, for example, go to cities in the district of the senior Republican member of the House Public Works Committee, Rep. William Harsha. And that new historic site in Charles County — the home of Thomas Stone — is the pet project of the great Republican watchdog of the House, Rep. Robert Bauman.

If Congress goes through with what now appears to be its intention of approving this welter of projects, President Carter should not have the slightest qualms about using his veto power extensively, even though Senate majority leader Robert Byrd, D-W.Va., has said he would try to override a veto of the public-works bill. Mr. Carter will need to explain his actions with some care — considerably more than he exercised in explaining the nuclear-carrier veto — because each of these hundreds of projects has its own core of supporters. But the mood of the country is likely to be with him and not with those in Congress who are filling the barrel as if there were no tomorrow.

THE WASHINGTON POST.

## Some Vows for Rosh Hashana

The holy day of Rosh Hashana this week marked the beginning of a truly new year for Jews the world over. The nation of Israel, to which nearly all of them are bound in blood or conscience, stands within reach of peace with its most formidable neighbor.

After four costly battles in a war of 30 years, the dream of acceptance on Biblical soil seems finally attainable. After a brutal half century of nationalistic striving, Zionism is to be allowed to take root beside an old enemy. Even in the momentous history of the Jewish people, this promises to be a momentous new year.

But roots give no assurance of flowers. Peace with one far-sighted but mortal Egyptian leader will not alone guarantee Israel's security. For the moment, and understandably, the Israelis are focusing their energies on the coming treaty with President Sadat and celebrating his break with the Arabs but refused to join him in negotiations. But in signing the Camp David accords and offering to exchange their Sinai settlements for peace, the Israelis have laid the basis for an even more dramatic — and difficult — process of accommodation on other fronts.

Most significantly, they have extended to their Palestinian rivals a process for reconciliation and a home in the West Bank that could well evolve into a Palestinian state.

That is not what Prime Minister Begin envisions or what the most outraged Arab critics of Camp David will know how to achieve. It is in Israel's interest, however, to hold high the offer of genuine autonomy for the Palestinians.

It is in Israel's interest to lure the West Bankers into patterns of respectful coexistence. It is in Israel's interest to encourage the idea that it will one day trade even the settlements in the Biblical sands of the West Bank for the full and final acceptance of the Zionist state. As Jews know well from their own long history, whatever can be achieved needs first to be defined as possible. And as the Israelis will be the first to admit, thinking back only to their last new year holiday, they had not thought it possible that any Arab leader would in this generation grant them face-to-face negotiation, formal state-to-state recognition and an undiluted peace. In less than a single year, their worst fears and insecurities have been transmuted almost into trust of the man who attacked them by surprise on Yom Kippur five years ago. It is the diplomacy of atonement and forgiveness that is succeeding at this season and peoples everywhere should be inspired to include it in their new year vows, whenever they may be spoken.

THE NEW YORK TIMES.

## International Opinion

### Syria's Credibility and Lebanon

Many observers take the view that the present inconclusive situation in Lebanon is gradually undermining the credibility of the Syrian regime and that sooner or later it would be obliged either to crush the (rightist Christian) militias or to extricate its forces from Lebanon altogether. If it has decided on the former course, the present moment might seem as opportune as any, since Israel would not want to jeopardize the great prize of an Egyptian-Israeli treaty, now virtually within its grasp, by embarking on an all-out war against Syria in support of its Lebanese Christian proteges.

On the other hand, it must be doubted whether, if he had decided on the final crunch in Lebanon, President Assad would have gone off as scheduled on Sunday on a two-week visit to East Germany and the Soviet Union. . . . However, the two sides have been set on a collision course for months now and it is perhaps not very important which of them chose this moment to escalate the fighting. What is clear is that the militias have succeeded in destroying Syria's credibility as a neutral deterrent force and in forcing it to adopt an all-out belligerent role. . . .

The situation is also extremely dangerous for the Middle East at large and for the world, since if Israel does intervene directly then President Sadat may find it impossible to implement the Camp David agreement. The international community cannot afford to ignore what is happening, either from a humanitarian point of view or from that of self-interest.

President Carter's suggestion last week of an international conference was unrealistic, if only because Syria would certainly not accept Israel's participation. But some forum

for genuine negotiations between the antagonists is clearly needed. . . .

— From the Times (London).

### Euphoria Over China?

The present euphoria at the prospect of the Chinese placing huge orders abroad for the purchase of capital equipment is bound to give way to a good deal of disappointment. . . . So inevitably scepticism grows as to how large a program of industrialization China can manage and how fast. The Chinese leadership's own assessment of how rapidly it can move will only show up in the actual signing of contracts. At the moment, it would seem that the Chinese are being more cautious in practice than the grandiose plans they have announced would suggest. . . . There is no doubting the impatience of the leadership for fast results or their determination to achieve these through a rapid program of industrial modernization.

Vice-Premier Teng Hsiao-ping, twice disgraced and over 70, clearly sees this as his last chance to transform China according to his own vision. The Chinese people, after decades of wretched hardship, are also impatient for the higher living standards that seem to lie at the end of Teng's plans. The obstacles, however, are formidable. . . . Officials, who have seen too many changes of leadership for their liking, are timid about taking decisions.

In such a massive development, there are immense problems of coordination and there are problems in financing the local costs of the plan and of finding the necessary foreign exchange. . . . Restraint is called for both by suppliers of equipment as it is by the Chinese in refraining from drawing up excessively ambitious plans.

— From the Financial Times (London).

## In the International Edition

### Seventy-Five Years Ago

October 5, 1903

VIENNA — Czar Nicholas II had a fine time shooting chamois as his visit here continues. Early in the day, he was driven to his prepared niche in the mountains, somewhat below the position of Archduke Ferdinand and near the spot of Kaiser Wilhelm II. The little goat-like animals were then made to run by the prepared positions, and the Czar tallied a very creditable nine kills, even though it was his first time taking part in a chamois drive. After the evening repast terminated, some time was spent at billiards before a general move was made for bed.

### Fifty Years Ago

October 5, 1928

TEHRAN — Shah Riza Khan of Persia today issued an executive order forbidding the veil traditionally worn by Persian women. Commenting: "It is not as if the faces of our women were sad to look upon." Turkey, under Kemal Ataturk, has already banned the veil and has taken several other steps toward Europeanizing its people's customs. Persia plans to follow this lead, and the veil is the first step. Three years ago, Ataturk suffered a major religious rebellion against his reforms, and it is unclear how the experience of Persia will compare.



## Human Rights and Sanctions

By Jonathan Power

LONDON — Human rights — of a kind — have been around for a long time. A citizen of ancient Rome, if condemned to die, could choose to be beheaded. A non-citizen would be tortured to death. In more recent times, England's Bill of Rights in 1689, the American Declaration of Independence in 1776, and the French Declaration of the Rights of Man in 1789 have determined many of our modern institutions. In postwar history, we can probably pinpoint two watersheds. The first was the Universal Declaration of Human Rights codified under the influence of its presiding genius, Eleanor Roosevelt. The second was the determination of a U.S. president to make the issue one of the center points of his presidency.

The question now is, having launched what on balance has been a useful crusade, what should President Carter do next to shape it and give it a more productive orientation? First and foremost, the coordination with Europe must be stepped up. If Carter had listened to Helmut Schmidt and Valéry Giscard d'Estaing, he would never have made the mistake of a full frontal human rights confrontation with the Soviet Union, a confrontation that has in effect decreased the human rights enjoyed by Russians and East Europeans. In retrospect, we can see that Henry Kissinger's quiet approach was the more successful.

### Coordinate

Second, Carter must more carefully coordinate his own policies. If he had integrated his policy on nuclear proliferation with his policy on human rights (and again more closely involved West Germany and France), there never would have been the occasion for Brazil and Argentina to cock a snoot at the United States, convincing many (albeit wrongly) that the United States could only make its policy stick with the isy-bisnies like the Dominican Republic.

Few outsiders, however, are aware just how successful State Department coordination has been on one front, human rights and foreign aid. An inter-agency committee, chaired by the deputy secretary, Warren Christopher, religiously and rigorously examines the human rights performance of any recipient of U.S. aid. But why not such a committee to coordinate other aspects of the rights strategy, not least the application of rights criteria to arms transfers, an area of appalling shortcomings?

### Arena

Another arena of success has been the United Nations, for so long under-utilized and undermined by U.S. diplomacy. Andy Young, Gary Vance, and Jimmy Carter have changed all that. But it is important that this autumn should see an acceleration of their efforts at the General Assembly to have more regular meetings of the UN Human Rights Commission and the appointment of a UN high commissioner on human rights who can speak out against violations. In his new book, "Human Rights," the British foreign secretary, David Owen, suggests the UN institutions should be modeled on the European Commission on Human Rights, which together with the European Court of Human Rights provides for action either by an individual against the state or by one state against another.

Yet it is all too easy, as Dwight Morrow said 50 years ago, "to judge ourselves by our motives and others by their actions." Banging the table at the Human Rights

Commission is difficult when the United States has still not ratified the genocide convention, which has been waiting approval for 30 years. To shout from the rooftops about political prisoners has a hollow sound when the U.S. jails are arguably the worst in the developed world and when thousands of young people languish in them serving sentences that, if their color and class were different, might have ended years ago. And in France, what about government treatment of immigrant workers? Or in West Germany, what about the Berufsverbot, the practice of excluding leftists from public service jobs?

### Big Issue

The really big issue for the next three months is going to be the question of human rights and the business sector. Human rights activists are pressing for restrictions on trade and commerce with South Africa and Uganda. In a recent article in Foreign Affairs, Richard Ullman argued for the boycott of Ugandan coffee. He cited the precedent of the U.S. trade embargo

on Cuba (ignored by the Europeans) and the restrictions on trade with the Soviet Union. Until now, the Carter administration has been against it, countering that boycott actions are not consistent with the principle of the General Agreement on Tariffs and Trade. The only exception it holds is when an embargo is imposed by the UN Security Council — as happened against the Rhodesian government of Ian Smith.

### Sign the Bill

This is a difficult question: Should big powers use force, albeit the nonviolent force of trade sanctions, against little nations they disagree with? On balance, I think the answer is yes, but only in the most exceptional circumstances is Uganda one of these. Carter should sign the bill, now on his desk, demanding a coffee boycott.

Carter's human rights campaign, although often mistimed, miscoordinated, misapplied, is in its essentials a good idea. It must go on. The promise of Eleanor Roosevelt is still to be redeemed.

## Beware Historical Metaphors

By William Pfaff

PARIS — A little history is a dangerous thing. Presidential counselor Zbigniew Brzezinski recently was quoted in The New Yorker on the supposed lesson for our day provided by the Franco-British confrontation in 1898 at Fashoda, in the upper Sudan, over control of the White Nile. A French expedition had established itself there but then was challenged by a British force under Gen. Kitchener, fresh from his victory over the dervishes at Omdurman. London's scarcely veiled threat of war eventually led the French to abandon their position on the Nile and leave it to the British, with much subsequent bitterness against Britain in France.

Brzezinski says that the United States and the Soviet Union today are running the risk of the same kind of dangerous confrontation because with Britain and France in the late 19th century, we are "two overlapping global military powers pursuing conflicting global policies in a dynamic setting of Third World instability." This supposedly is bound to lead to collisions between us, with the two sides rushing to pre-empt control in some situation of crisis, with an ensuing "spiral of intervention."

"Fashoda is very germane to our current concerns," Brzezinski says; "at the minimum, at least one Fashoda is to be expected. . . . The question is, of course, whether in the context of the new nuclear equation an American-Soviet 'Fashoda' will work out as peacefully as the Anglo-French one did in the 19th century." Brzezinski worriedly adds, "This Fashoda business is something that no one has picked up."

### Bad Prediction

It's possible that no one picks it up because everyone recognizes that what this Fashoda metaphor fits, if it fits anything, is the 1960s, not the 1970s or 1980s. Brzezinski simply is describing events of the last few years and presenting it as a prediction. Moreover, it is a bad prediction, because the lessons of recent events are the opposite of the one he derives.

During the 1960s, the Americans, the Russians, and even the Chinese all were — or were thought

to be — pursuing dynamic policies meant to dominate strategic positions in an unstable Third World. If one wants to use the Fashoda image, one would say that Vietnam provided our Fashoda. Not only did all of us arm and aid local forces, but the United States directly intervened, carrying the war to Russia's ally, North Vietnam — officially a nonbelligerent country — bombing its capital, mining its rivers and harbors, and even attacking the capital city in the midst of an official visit by the highest officials of the Soviet Union. And the Soviet Union did nothing.

Or one could take the Cuban missile crisis as a Fashoda. The Soviet Union had established a position in Cuba, tried to expand it; the United States confronted them with a threat of war; and they backed down.

### Prudence

The first thing demonstrated in these "Fashodas" of the 1960s was the prudence, the avoidance of risk, of the Soviet government. At no time was there a really serious danger that our two countries would come to war. This prudence has never been a consistent characteristic of Soviet policy.

Never in its history has the Soviet Union run serious risks of war in power confrontations that did not directly involve its established security interests on its own borders or in its East European zone of postwar control. Ruthless as the Russians have been in crushing uprisings in Eastern Europe or in expanding control of sensitive border areas — as in seizing the Baltic

## Anthony Sampson From London:

**The disappearance of this forum, whatever happens to the rest, seems unimaginable. There is no alternative to the threat: 'I'll write a letter to The Times.'**

LONDON — While the three New York newspapers are into their eighth week of the strike, a more fundamental threat is facing one of the world's oldest and more celebrated newspapers. The Times of London. The story throws a sharp light on the problems of newspaper ownership and conglomerate companies.

The immediate threat is a familiar one among newspapers, of a head-on clash between management and labor unions. The managers of The Times, having endured months of unofficial strikes and vain attempts to modernize their technology, have told the unions that unless they reach agreements on critical issues — including an undertaking of continuous production — they will close the newspaper down on Nov. 30. At first, the ultimatum was assumed to be part of the usual rhetoric of bargaining. But the unions still cannot agree, the printers and journalists have been given formal notice, and the management really seems serious.

### Shift

Behind this showdown there are clear signs of a new and more detached kind of newspaper ownership, and the battle in The Times is part of a general shift in the character of British newspapers. Until about 15 years ago, most London newspapers were owned by dominating proprietors, who ran them primarily because they enjoyed their political influence. Lord Beaverbrook ran the Daily Express as an eccentric personal crusade to revive the dwindling empire; Lord Rothermere ran the Daily Mail as a scourge of the Socialists; Lord Astor owned The Times rather as if it were a historic country house, or an aristocratic foundation.

Now all has changed. Lord Beaverbrook's heir sold his group to a property-and-shipping conglomerate; Lord Rothermere's heir is making a new fortune in oil. The popular papers are fighting for their lives against the Australian intruder, Rupert Murdoch, who has successfully proved that the average British reader is much less intelligent than anyone dare think. Only the paper, The Daily Telegraph, owned privately by Lord Hartwell and his family, still partly conforms to the old picture of the press barons.

Newspapers have thus become less political platforms than components of industrial empires. But more remarkable, and unique to Britain, many of the most important groups are now controlled from outside the country. The new Lord Rothermere now directs his papers from Paris, where he is a tax exile.

Murdoch runs his gutter press from Australia or New York. The Observer, the oldest Sunday paper, is now owned by an oil company in California. And The Times, with its sister-paper The Sunday Times, is ultimately controlled by a quiet and austere Canadian in Toronto, Kenneth Thomson, whose father bought the group from the Astors.

The Times is now part of a major industrial group which includes a travel company, several publishers, and above all a lucrative share of oil in the North Sea; its shrewd managers regard the newspapers as just another subsidiary. As for Kenneth Thomson, he is believed to be exasperated both by the union troubles of The Times, and by the rather lordly and patronizing attitude of its managers and editors, presiding over their stately houses in Bloomsbury Square. To put it bluntly, Thomson seems to think that The Times hardly deserves to survive in its present condition; and he would not weep to see it go.

His attitude must command some sympathy. The old proprietors, desperately competing to outdo each other, caved-in to their labor unions after each showdown, and committed their papers to armies of idle workers. The advent of the modern commercial and detached managers could make newspapers more efficient; and editors more independent. The hounding power of the worst of the old press barons, launching their vendettas and suppressing crucial news, was a humiliation to responsible journalists.

Yet ancient newspapers, however badly managed or eccentrically edited, can acquire a kind of tribal character which still asserts itself, whatever the whims or tyrannies of ownership; in a real sense they begin to belong to their readers. No newspaper in the world has this character more obviously than The Times. For with all its ups and downs, its periods of partisan reporting, pompous editorials, or suppressions of truth, it has been kept sane and lively by its most enviable and envied ingredient — the letters to the editor.

From its beginnings, the letters have provided a kind of debating chamber, an anteroom to Parliament, a source of independent views, reports, scoops, reflections or jokes which are part of the machinery of free speech. The disappearance of this forum, whatever happens to the rest, seems unimaginable. There is no alternative to the threat: "I'll write a letter to The Times."

The story of The Times presents, I believe, a critical case-history in the development of multinational-conglomerate companies, which have become so much a part of the contemporary scene. However cool and business-like the central management, however exasperating the unions, however arrogant the staff, The Times remains a critical part of the British social structure, a central instrument of democracy. Its disappearance would not be lightly forgiven.

## — Letters —

### A New Pope

The tragically premature passing of Pope John Paul I casts anxious inquiry over the choice of his successor. For seldom, in the long history of papal rule, has a man shown such exquisite promise of humanity, humility and gentle humor as did Pope John Paul I. The plight of the Vatican today is its widening gap with the modern interpretation and conception of "What is God."

A new pope, most likely to succeed in recapturing the imagination if not the respect of the educated masses, should be someone likely to approach with open mind and heart the essence of contemporary thought.

The vital problems and realities of modern science, literature, politics and race relations should share his mind with the seraphic past. But above all, he should actively and aggressively pursue the fight for peace, justice, and the universal struggle for human rights.

HARRY SPIRO.  
London.



## Fashion Italian Furs Try French Connection

By Hebe Dorsey

PARIS, Oct. 4 (IHT)—The best news for fashion lovers this week is the Fendi fur opening in Paris, marking another breakthrough for Italian designers.

For some reason, Italian talent has had a hard time making it on the French scene—not the run-of-the-mill, low-priced sweaters and shoes which are all over but the relatively new crop of gifted designers who never seemed to be able to break the French fashion barrier. Things are totally different in the United States, where Italian fashion is, if anything, better established than French. Stores such as Bergdorf-Goodman have banked heavily on Italian designers, opening separate boutiques for Krizia, Armani, Versace and Milla Schon. As for Fendi, they are spread out over a considerable surface on North Sea's street level.

But things are changing, slowly, in Paris, too. In the last few years, a number of Italian houses have opened elegant shops—among them, Missoni, Valentino, recently in the Grand Palais, and the giant Gucci. And now, Fendi is a success story that started in Rome in 1918 with a small shop specializing in leather goods. It is also the story of a clan, with Adele, the late founder of the house, having attracted her five gifted daughters into the trade.

### Combination

Fendi made its first fashion impact with furs 12 years ago, when the Fendis brought Karl Lagerfeld in to do their designing. The combination was an immediate success. Now on Via Borgognona in Rome, the Fendis cannot cope with the traffic. They have also opened 13 boutiques in Japan and 30 in the United States. Now they have made their first French tie-up with Royal Fourrures, a conservative, quietly elegant store at 30 Place de la Madeleine.

Royal Fourrures, also a family business, belongs to Gisele and Jacques Semmel, with their son, Gerard, also active in it. "We're in heaven," Mrs. Semmel said. "We've



Some furs from the house of Fendi, which has recently established a French connection.

always admired the Fendi furs so much, just from looking at them in the magazines. We have already revamped the store to fit the Fendi image."

The shop is now spruced up with mirrors, lacquer and imaginative for displays, bringing it close to the Rome image. Although Fendi luggage and bags (now as famous as their furs) are in the window, they are not on sale. That is, not yet, but it is clear that this will, in the near future, become a wholly Fendi shop. Both the Semmels and Aida Fendi, who came here for the opening last week, agreed that that was the most likely next step.

In designing Fendi's furs, Lagerfeld's greatest contributions were his unexpected and refined colors (including bois de rose squirrel and onyx chinchilla), his free-wheeling approach to the most expensive pelts (with quilted, pleated, encrusted and shredded furs), and a tonic revival of long-forgotten furs, such as ermioe, mole and martens. . . and, right now, muskrat.

The collection on sale in Paris is strictly ready-to-wear but it is exciting. The lowest priced garment is a peppy, white Mongolian-trimmed muskrat jacket (at 6,900 francs), which is shaded in several tones of gray and would look equally good with jeans or a slim skirt. The most interesting coat is of quilted gabardine and has two sleeveless tops, one of brown Mongolian lamb, the other of beige squirrel. Fastened with leather strings (a much copied Fendi detail), it can be worn in six different ways. It is priced at 27,900 francs, which is stiff. But there are many coats and jackets in a more reasonable price range, including an unusual guanaco coat at 11,900 francs.

Madame Gres, dean of Paris couturiers and president of the French Chambre Syndicale de la Couture, is being made doctor honoris causa by New York University. The diploma will be handed to her in New York today by the French consul general just before a

charity gala at the Hotel Pierre with a showing of her collection.

Jean-Charles Brosseau, a dedicated milliner who has never ceased to believe in hats, has one of the most popular boutiques in Paris (Place des Victoires). But also designs clothes to serve as foil for his hats. He will show his first full-fledged ready-to-wear collection on Oct. 12.

## Waverley Root

### Sorting Out the Perplexing Problem of Peppers

I READ in "Cooking and Recipes from Rome to the Renaissance" by Richard Barber, that among the vegetables Charlemagne ordered planted in his domains were peppers. This was extraordinarily perceptive of Charlemagne, but I doubt if his instructions were followed, unless somebody had a remarkable memory, for the pepper was unknown until seven centuries after his time, when Christopher Columbus reached its native territory, tropical America.

I am referring now to the green pepper, or bell pepper, so called for its shape (sometimes also the bulbous pepper for the same reason)—the vegetable, not the spice. Although Mr. Barber is chronologically farther off base than most of the writers who have been tripped up by the perplexing case of the pepper, he can take consolation in the fact that he has plenty of company in confusion, including scientists.

The scientists have not been very successful in differentiating the characteristics which distinguish the vegetable pepper from certain spice peppers, though they play a quite different role in cooking. How many housewives realize, when they prepare a salad enlivened by crisp crunchy slices of bell peppers, or stuff them with rice and sausage meat, that they are dealing with the same food as the red pepper, which, if used too plentifully as seasoning, would blow the roof of the mouth off?

### Potato Family

Where scientists have difficulty with peppers, gourmets have none. "The Practical Encyclopedia of Gardening" says of Capsicum, the group to which the pepper belongs, that it is "a confused but horticulturally important genus of tropical, woody plants of the potato family," but that it is "easily divided, as to taste, between the mild and very pungent sorts." The bell pepper is one of the mildest sorts, and for that reason is often called the sweet pepper, but I am purposely avoiding that term, for some of the hot ones are called sweet peppers, too; sweetness and pungency are not necessarily antithetical.

The layman can distinguish between them by their looks from characteristics other than mere size (bell peppers are usually much larger than spice peppers)—characteristics which perhaps do not impress botanists. For instance, the long thin spice peppers usually wear a little cap from which the stem arises; in the bell peppers, the stem sinks into a sort of recess in the top of the fruit. This may be a simple physical change resulting from the swollen shape of the bell pepper, which in its evolution has engulfed the stem. The difference in shape between the bell pepper and the spice pepper symbolizes a difference in characters. The spice pepper is a pod containing seeds; the seeds are the main attraction, the pod being no more than a box to hold them (Capsicum means "box").

In the bell pepper, the walls of the pod have thickened and grown much larger, adding fleshiness to the fruit. It is these walls (that is, the swollen pod) which have become the important edible part of the pepper instead of the seeds contained within them; indeed, the seeds and the pulpy white matter to which they adhere are often scraped out and thrown away, for these are the hottest parts, and though heat is what is wanted from a spice, it is not what is wanted

from a vegetable, at least not from this one.

The first discoverers of Capsicum (the scientific name is used to avoid confusion with true pepper, which belongs to the genus Piper), may be excused for failing to make much of a distinction between spice and vegetable, for they were meeting both at the same time, and noted only that some were fatter and milder than others.

### Inca Name

The references made to these plants by the early Spanish explorers are difficult to match the kinds they had seen with those we know today, but Acosta, in 1604, and Piso, in 1648, seem to have been definitely describing bell peppers, which may also have been the sort of pepper which Garcilasso de la Vega met in Peru, where he reported that the Incas called it *rocoto uchu*.

Popular nomenclature confusion persists to this day. When a French housewife wants to buy a bell pepper, she asks in the market for a *poivron*, but French reference books sniff at this word as an improper vulgarization and refer the reader to the heading of *piment*, which evokes spice and vegetable peppers into the same bin again, sometimes inextricably. The Spanish sometimes call the bell pepper *pimiento*, too close for comfort to *pimenton*, which is the powdered spice. In German, the same word, *Paprika*, means both the powdered spice and the bell pepper.

A clear distinction, from the gastronomic point of view, seems to have been made only in English between the pepper (vegetable) and the chili (spice), or, rather, in American English, the vernacular of a country familiar with these plants, for Brit-

ish reference books are vague about Capsicum, probably because the pepper, vegetable or spice, disproves of the English climate.

In principle, the bell pepper, being a member of a tropical or subtropical family, ought not to be at home in North America, but though it can be raised profitably by commercial growers only in the southern part of the United States, home growers can take a chance on it over much of that country.

A common Italian dish provides an opportunity for patriotic display: It is composed of green peppers, red tomatoes and white onions, the colors of the Italian flag, and is known as *salute alla bandiera*—flag salute.

—Waverley Root

— Tradition  
— Choice  
— Quality  
— Prices  
— Welcome

the **cashmere house**  
the great Parisian specialist  
for 100% pure cashmere  
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*Alexandre Savin*  
2, rue d'Aguesseau, Paris 8<sup>e</sup>  
(corner 60 St-Hippolyte) Tel: 265 42 61  
Monday to Saturday  
from 9.30 a.m. to 7 p.m.

## Exhibitions in France

### Book Illustrators Show Their Secrets

By Andreas Freund

PARIS (NYT)—Illustrators of children's books, or even of books for adults, enjoy less renown here in France than elsewhere (almost as if a kind of de Gaulle syndrome had taken hold). So in an attempt to put demonstrate their skills as drafts-people, sculptors, painters, a group of them have opened a show here at the Centre d'Art Rive Gauche, a new Left Bank gallery in a vast medieval mansion at 8 Rue de Nesle.

The exhibition, which runs to Oct. 30, has the misleading title, "The Secret Garden of 100 Illustrators." A secret garden, of course, is

a poetic phrase for favored private fantasies. The title misleads because most of the illustrators happily choose not to take the theme literally and are pleased to show exactly what is on their minds and in their fantasies. (Nor are there 100 exhibitors; there are 56—and two of them aren't even book illustrators. But no matter.)

That said, the show does point up the extraordinary variety of styles coexisting in the world of book illustration.

It might be thought that the one style unsuited to the genre would be the non-figurative. But the show

proves that even it can be used—in a dainty, totally abstract gray-on-beige drawing of circles and straight lines by Philippe Poncet de la Grave.

The psychedelic is represented by an almost blindingly colorful montage of photographs and cartoons by Michel Lecomte. The more traditional aquarelle is represented in landscapes by May Angeli, and traditional cartooning by Robert Blachon.

### Varied Surrealism

But the majority of Parisian illustrators seem to have adopted surrealism in all its varieties.

Jean Grimal has several Daliesque nightmares to offer, one notably showing a bleeding clock. Hubert Mangili exhibits a Magritte-style Star Spangled Banner, torn in the middle to open on a vista of grass and a tree. Sylvie Francois, an evident admirer of Max Ernst, displays a stridently colored picture of a woman with a birdcage in lieu of an eye and hair flowing into the sky as clouds.

Other striking works include two impressionist pet hippopotamuses by Andre Dahan; Christine Ljubanovitch's Steinberg-like "Litografia," which shows all the various instruments needed for making a lithograph; and Josee Santos' romantic landscapes and gardens in the style of Aubrey Beardsley.

### Fairy Tale

Altogether in a class by himself is Jaime Pares, a Uruguayan who thought up a sophisticated fairy tale on the secret-garden theme. It is complete with birds and other animals drawn and colored from stylized Latin American folklores.

Arresting, too, is the blue night sky by Olivier Liegeon, sparkling with stars atop a sky-blue personage wearing the sickle of a moon as headgear.

The two non-illustrators in the show are colorist Christian Bignon, represented by a series of variations for carpets and patchwork, and Annette Huster, exhibiting pictures in which strands of wool are pasted on backgrounds so as to grow into landscapes.



Poster for illustrators' exhibition by Robert Constantin.

## In the Arts Agenda

Two new productions are entering the Vienna State Opera repertoire in October, beginning with Strauss' "Die Schweigsame Frau," which had its first performance Oct. 1. Siegfried Vogel is singing the role of the young man, and other principal parts being sung by Edit Gruberova, Larry McDaniell and Thomas Loser. Heinrich Hollreiser is the conductor. Helge Thoma the stage director and Theo Otto the designer. Performances are scheduled for Oct. 5, 8 and 16. The first performance of a new staging of Bizet's "Pelleas et Melisande" is scheduled for Oct. 26, conducted by Erich Lindorf and with Helge Thoma, with Guenther Schneider-Stemmen as stage director and designer. Hans Hubenthal will sing the title part and other principal roles are being

taken by Karl Ridderbusch, Bernd Weikl, Heinz Zednik, Gerd Feldhoff, Hans Guenter Noecker, David Knutson, Renate Holm and Trudelliese Schmidt. Subsequent performances are set for Oct. 29, Nov. 1 and 5.

\* \* \*

The 16th Paris Dance Festival opens Oct. 16 with the first performance of "La Dame de Figue" (The Queen of Spades), a new ballet by Roland Petit to music by Tchaikovsky, with Mikhail Baryshnikov appearing in the principal role with Petit's Ballets de Marseille. It will run at the Theatre des Champs-Elysees through Oct. 29 and will be followed from Oct. 31 to Nov. 18 with the same company

in Petit's version of "Coppelia." The Bujo traditional Japanese dance troupe appears from Oct. 20 to 26, and from Nov. 27 to Dec. 3. Rudolf Nureyev will star in two programs, one (to Dec. 3) with the "Rudolf Nureyev and Friends" group and the second with the Murray Louis Dance Company.

\* \* \*

Richard Shirk, New York pianist and first-prize winner of the 1977 Leschetizky Association Competition, will begin his first European recital tour Oct. 10 at the Diligentia in The Hague, followed by appearances Oct. 14 at the Mozarteum in Salzburg, Oct. 20 at the Atelier in Brussels and Oct. 22 at Wigmore Hall in London.

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YEL	P/E	100	High	Low
24	1.9	90	127	7
1.40	3.10	24	37	10
1.80	4.10	28	41	14
1.90	4.50	31	44	17
2.00	4.90	34	47	20
2.10	5.30	37	50	23
2.20	5.70	40	53	26
2.30	6.10	43	56	29
2.40	6.50	46	59	32
2.50	6.90	49	62	35
2.60	7.30	52	65	38
2.70	7.70	55	68	41
2.80	8.10	58	71	44
2.90	8.50	61	74	47
3.00	8.90	64	77	50
3.10	9.30	67	80	53
3.20	9.70	70	83	56
3.30	10.10	73	86	59
3.40	10.50	76	89	62
3.50	10.90	79	92	65
3.60	11.30	82	95	68
3.70	11.70	85	98	71
3.80	12.10	88	101	74
3.90	12.50	91	104	77
4.00	12.90	94	107	80
4.10	13.30	97	110	83
4.20	13.70	100	113	86
4.30	14.10	103	116	89
4.40	14.50	106	119	92
4.50	14.90	109	122	95
4.60	15.30	112	125	98
4.70	15.70	115	128	101
4.80	16.10	118	131	104
4.90	16.50	121	134	107
5.00	16.90	124	137	110
5.10	17.30	127	140	113
5.20	17.70	130	143	116
5.30	18.10	133	146	119
5.40	18.50	136	149	122
5.50	18.90	139	152	125
5.60	19.30	142	155	128
5.70	19.70	145	158	131
5.80	20.10	148	161	134
5.90	20.50	151	164	137
6.00	20.90	154	167	140
6.10	21.30	157	170	143
6.20	21.70	160	173	146
6.30	22.10	163	176	149
6.40	22.50	166	179	152
6.50	22.90	169	182	155
6.60	23.30	172	185	158
6.70	23.70	175	188	161
6.80	24.10	178	191	164
6.90	24.50	181	194	167
7.00	24.90	184	197	170
7.10	25.30	187	200	173
7.20	25.70	190	203	176
7.30	26.10	193	206	179
7.40	26.50	196	209	182
7.50	26.90	199	212	185
7.60	27.30	202	215	188
7.70	27.70	205	218	191
7.80	28.10	208	221	194
7.90	28.50	211	224	197
8.00	28.90	214	227	200
8.10	29.30	217	230	203
8.20	29.70	220	233	206
8.30	30.10	223	236	209
8.40	30.50	226	239	212
8.50	30.90	229	242	215
8.60	31.30	232	245	218
8.70	31.70	235	248	221
8.80	32.10	238	251	224
8.90	32.50	241	254	227
9.00	32.90	244	257	230
9.10	33.30	247	260	233
9.20	33.70	250	263	236
9.30	34.10	253	266	239
9.40	34.50	256	269	242
9.50	34.90	259	272	245
9.60	35.30	262	275	248
9.70	35.70	265	278	251
9.80	36.10	268	281	254
9.90	36.50	271	284	257
10.00	36.90	274	287	260

# BUSINESS

# Herald Tribune

# FINANCE

Published with The New York Times and The Washington Post  
PARIS, THURSDAY, OCTOBER 5, 1978

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## Industrial Output Declines

### Bonn Posts Accounts Surplus

FRANKFURT, Oct. 4 (AP-DJ) — West Germany had a preliminary current-account surplus of 19 million Deutsche marks in August, up from a deficit of 2.02 billion DM in July and a deficit of 1.39 billion DM in August 1977, the Bundesbank said today.

The sharp rise of the current account was attributed largely to an August trade surplus of 1.7 billion DM, compared to 1.7 billion DM in July and some 600 million DM above the year-earlier period.

The current account produced a preliminary surplus of 5.33 billion DM in the first eight months of 1978, compared to a 1.34-billion-DM surplus in the corresponding 1977 period.

The Bundesbank also reported a preliminary overall balance of payments surplus of 3.04 billion DM in August, up from a surplus of 499 million DM in July and far above a deficit of 487 million DM in August 1977.

In the first eight months of 1978, the balance-of-payments surplus was 3.97 billion DM, sharply above the 666-million-DM surplus posted in the like 1977 period.

The index of industrial production also fell by a seasonally adjusted 1.7 percent in August from July but was up 1.7 percent from August 1977, according to preliminary figures released by the Economics Ministry.

However, the preliminary index of new orders to the manufacturing industry rose 6.3 percent in August from July and was up 8.4 percent from August 1977.

The indices for industrial output and order inflow were both revised downward in July in the new statistics from the earlier preliminary figures.

In other developments, the Labor Institute reported that the number of unemployed in September fell to 864,200, or 3.8 percent of the work force, down from 4 percent in August and also 4 percent in September 1977.

Net central currency reserves of the Bundesbank climbed 2.2 billion DM to 90.2 billion DM in the last week of September, the Bundesbank said in its weekly statement.

It attributed the sharp rise largely to intervention in connection with the snake, the European joint currency float.

The intervention is believed to have been largely on behalf of the guilders and the Belgian franc, which have been hovering near their floors in the joint currency float. The Bundesbank said other reserve assets fell 300 million DM to 4.8 billion DM.

The government also decided in principle to write off development aid of about 4.3 billion DM to 30 of the world's least developed countries.

Under the plan, LDCs would apply to West Germany to have their development aid debts turned into non-repayable grants, then the application would be reviewed and finally upon approval, a government-to-government agreement would be signed.

Meanwhile, Westdeutsche Landesbank Girozentrale said that due to the upturn in business expectations and more favorable economic indices, it expects gross national product growth to be 3.3 percent. It said that for 1979, growth could reach 4 percent.

### China Marks 29th Jubilee With an Economic Salvo

HONG KONG, Oct. 4 (AP-DJ) — China marked the 29th anniversary of Communist rule by calling for stepped-up efforts to achieve economic modernization. Editorials in the Peking press said the target date, previously set for the year 2000, can be moved forward.

A National Day editorial in the official newspaper Jinhua Daily, the People's Daily, said: "The question we face isn't just whether to carry through the four modernizations by the end of this century; now, the point is to do it faster, striving to reach this great objective in a shorter time."

Another editorial, in the party's theoretical journal Hong Chi, or Red Flag, also urged that the "four modernizations" — of agriculture, industry, defense, and science and technology — be achieved "at a faster rate than originally planned."

Jinhua Daily said China's new leadership has succeeded in "bringing order out of the chaos" created by the radical "Gang of Four," which was purged two years ago. During the confusion, it said, "workers couldn't work, peasants couldn't farm, students couldn't study and teachers couldn't teach."

The newspaper reported that the country's economic performance so far this year has been encouraging.

In agriculture, it reported, "the summer crops and the early rice showed an increase of more than 10 million tons over last year's output," adding that "autumn crops are growing well in most areas."

In industry, Jinhua Daily asserted that "total industrial output value is expected to exceed this year's plan" and that "steel output will be seven million tons higher than last year, reaching an all-time high."

Other major industrial sectors, including crude oil and electricity, will all increase by big margins, it added. "State purchases and retail sales of commodities will see large increases," it went on. "State revenue is expected to register an almost unprecedented increase."

### Lower Oil Purchase

TOKYO, Oct. 4 (AP-DJ) — Japanese utilities have indicated they cannot buy Chinese oil in the quantities the government projects for the next decade, according to reports published here.

### New Curbs Urged on U.S. TV Imports

WASHINGTON, Oct. 4 (AP-DJ) — The Committee to Preserve Color Television (Compact), a U.S. industry-labor group, today urged President Carter to restrict imports of color television sets from all countries.

At a press conference, a spokesman for the group said that the "orderly-marketing" agreement restricting imports from Japan has been "torpedoed" by what they called "astronomical increases" in commercial banks was in response to criticism by foreign banks.

The thrust of the criticism is that Japanese banks, cash-rich because of heavy foreign currency deposits by the central bank, have been doing an excessive amount of loan business abroad at "dumping" interest rates.

An official at the Bank of Tokyo, Japan's biggest foreign exchange bank, acknowledged today that there have been cases of medium- and long-term foreign currency-denominated loans at interest rates that were lower than European lending rate averages.

"But we aren't actually dumping the rates," the official said.

The Bank of Tokyo official said dollar lending abroad by Japanese banks has totaled between \$6-and-\$7 billion since the start of this year. More than 80 percent of foreign currency loans made by Japanese banks are in dollars, the official said.

The finance ministry and the central bank also urged the commercial banks to scrutinize the credit-worthiness of countries to which they are making loans.

### Japanese Banks Warned On Undercutting Rates

TOKYO, Oct. 4 (AP-DJ) — Japan's major commercial banks, which are authorized to make foreign exchange transactions, have been warned by the government not to undercut international interest rates in their overseas foreign currency loans.

A banking source said today that the warning by the Finance Ministry and the Bank of Japan to 14

### Britain's NEB Posts Net Profit

LONDON, Oct. 4 (AP-DJ) — Britain's National Enterprise Board (NEB), the state holding company, recorded a net profit before extraordinary items, for the six months to June 30 of \$9.2 million, more than double a year-earlier \$4 million.

Pretax profit climbed to \$23.1 million from \$13.7 million and turnover rose to \$2.03 billion from \$1.7 billion in the first half of 1977.

Extraordinary items, however, reduced profit by \$3.7 million versus \$700,000 a year earlier. The 1978 figure primarily represents trading losses and closure costs of operations now discontinued and closed, namely \$2.2 million in a subsidiary of Fairway Holdings and \$1.4 million in respect of the NEB's share of the Beverley and Bolton tanneries of British Tanners Products Ltd.

Meanwhile, British Steel expects to report a loss of £175 million for the first fiscal half. Charles Villiers, chairman of the state-owned steel company, said today in Steel News, the employee newspaper. He said that despite some units now working at a profit, BSC "overall is still making immense losses."

### Company Report

France	Thomson-Brandt	1977	1978
First Half		79.00	83.30
Profits			
Figures in French Francs			



DOLLAR TOUCHES NEW LOW — The dollar's record low fixing of 1.8960 Deutsche marks is posted in Frankfurt. It later recovered slightly after support action by the Federal Reserve.

### Dollar Slumps to New Low Against DM

(Continued from Page 1)

trader argued, reflected a "lack of concern" for the external implications of U.S. interest rate policy. Another said that "it reduced his arsenal to fight inflation... the dollar's underlying problem is U.S. inflation."

In active Deutsche mark trading, the dollar slumped below the "psychological barrier" of 1.90 marks to a record intraday low of 1.8910. It was fixed in Frankfurt at a record low 1.8960 marks, off from 1.9268 yesterday. Later, it recovered to 1.9010 marks, down 1.27 pfennig from late yesterday.

The dollar slipped to record levels against the guilders and Belgian franc but finished slightly above the lows at 2.0612 guilders compared with 2.0790 guilders late yesterday and 29.98 francs compared with 30.16.

The dollar slipped to 1.5570 Swiss francs, for a gain of 2.25 centimes from yesterday.

Sterling climbed 90 points to \$1.9825. The Canadian dollar rose 42 points to 84.51 U.S. cents.

### Rally in Glams Pushes Prices Higher on Wall St.

NEW YORK, Oct. 4 (Reuters) — An afternoon rally in blue chips and glamour issues led prices higher on the New York Stock Exchange today in active trading as the dollar firmed.

The Dow Jones industrial average rose 6.06 points to 873.96 and advances narrowly led declines 718 to 715. Volume rose to 25.09 million shares from yesterday's 22.54 million.

Analysts said a continuation of the rally tomorrow could signal the end of the market's oversold condition, setting the stage for further gains.

Among the glams and blue chips, Polaroid added 3 1/2 to 53 1/2, Eastman Kodak 2 1/2 to 63 1/2, UAL Inc., the volume leader, 2 1/2 to 41 1/2, Du Pont two to 13 1/2, Smithkline 2 1/2 to 92 1/2, IBM 4 1/2 to 281, Honeywell 1 1/2 to 65 1/2 and Teletype 2 1/2 to 102 1/2.

Ethyl Corp. picked up 1/2 to 24 1/2. W.R. Grace added 2 1/2 to 41 1/2. The Flick group of West Germany will tender for 19 percent of its stock at \$35 a share.

Carrier lost 3/4 to 26 before a trading halt. It agreed to acquire Jann-Air for stock. Carrier itself is being sought in a takeover bid by United Technologies. United said it has received a Justice Department request under the Antitrust Improvements Act for additional information about its proposed cash tender.

Prices on the American Stock Exchange also advanced in active trading. The market-value index added 0.79 point to 169.72.

In Chicago, wheat was lower, corn higher, oats fractionally lower and soybeans substantially higher at the close today on the Board of Trade.

Wheat was off 1 1/2 to 2 1/2 cents; corn up 1/4 to 1/2 cents; oats off 1/4 to 3/4 cents and soybeans up 8 to 4 1/2 cents.

### Reducing Autos to Britain

TOKYO, Oct. 4 (UPI) — Major Japanese automakers will reduce or cease car shipments to Britain in October to hold down their market share in that country, industry sources said today.

Toyota Motor and Nissan Motor will reduce the October export volume to a little over 1,000 units and Honda to 350 units. Toyota, Kogyo, Mitsubishi and Subaru will forego shipments, they said.

### Belgium Rates Raised

BRUSSELS, Oct. 4 (AP-DJ) — Banque Nationale de Belgique announced today that rates on one, two and three-month treasury certificates have been raised a quarter point effective immediately. The bank also decided against a change in the central bank's key lending rates, both standing at 6 percent.

Meanwhile, the labor office said the number of jobless fell 0.7 percent to 268,628 at the end of September from last month.

### Japan Money Supply Up

TOKYO, Oct. 4 (AP-DJ) — Japan's broadly defined money supply (M-2) in August rose 12.3 percent following a 12-percent gain in July, the Bank of Japan said today. M-2 represents cash in the hands of the public plus demand and time deposits.

### Carrier and Jann-Air in Merger Pact

Carrier Corp. and Jann-Air say they signed a definitive agreement for the merger of Jann-Air into a subsidiary of Carrier. The agreement calls for issuance by Carrier of a minimum of 1.35 shares of Carrier common for each share of Jann-Air common. Based on the outstanding Jann-Air shares Sept. 30, and the shares then reserved for Jann-Air stock options, the transaction would involve the issuance of a minimum of 3,365,010 shares of Carrier.

### Oji Paper, Nippon Pulp to Merge

Oji Paper, Japan's biggest newspaper producer, says it will merge with Nippon Pulp Industry next March. The merged company will retain the name of Oji Paper and Nippon Pulp will be disbanded. The merger's primary objective is to solve structural problems currently facing the nation's paper and pulp industries, including excessive domestic competition and declining competitiveness abroad.

### U.S. Inflation Body Sees Acceleration

WASHINGTON, Oct. 4 (Reuters) — This year's U.S. inflation rate has clearly accelerated from the previous two years, and should show an increase on about a percentage point over 1977, the Council on Wage and Price Stability said today.

In the second of its periodic reports on inflation, the council said some of the factors involved in this year's surge are past, but "there remains a good deal of uncertainty — particularly about food prices."

Consumer prices rose 6.8 percent in 1977, thus the council's inflation outlook for this year was in line with the projections of an 8 percent increase this year by administration inflation counselor Robert Strauss.

The council had said in its initial report on inflation last May that the underlying rate seemed to be stuck at a plateau with little likelihood of increasing or receding.

But the latest report said the underlying rate has moved up this year to an annual rate of 7 percent from 6 percent in 1976 and 1977.

The latest analysis said the worsening of inflation this year has been concentrated in food and housing. The food price outlook has improved, the council said, but prices at the wholesale level have shown an acceleration also.

The analysis said even excluding food prices, wholesale prices have been running up at an annual rate of over 8 percent this year compared with 5.5 percent in 1976 and 1977.

The analysis said the current increases in prices of finished goods, both intermediate and crude materials, excluding food, "will put more pressure on the prices of finished goods later this year."

The council said "a pattern of widespread acceleration is evident in most of the major categories of industrial commodities," with further inflationary pressures coming from labor costs, which have grown

### U.S. Action On Textiles 'Alarming'

WASHINGTON, Oct. 4 (AP-DJ) — U.S. Undersecretary of state for economic affairs, Richard Cooper said today that Japan, the Common Market and other nations are expressing "grave concern" over the U.S. Senate action to exclude textile and apparel products from the tariff-cutting negotiations in Geneva.

"The signals we are getting are very alarming," he told a press conference after two days of economic talks between administration officials and a Japanese government delegation headed by Hiromichi Miyazaki, Japan's deputy foreign minister.

Mr. Cooper made it clear that a number of countries, in addition to Japan, have told the United States that if the recent Senate action on exempting textile and apparel products from the Geneva negotiations is not overturned, the final outcome of the world tariff and trade negotiations in Geneva would become very doubtful.

### U.S. Panel Promotes Productivity Plan

By Bradley Graham

WASHINGTON, Oct. 4 (UPI) — It had the look of a sober business conference but the feel and ring of a pep rally.

In what was billed as a part teach-in, part political blitz, 130 representatives of business, government and labor met here yesterday to draw attention to an issue that has been remarkable in its singular ability to put people to sleep — the U.S. slowdown in productivity.

The point of the two-day conference is to warn that the U.S. can no longer afford to slough the problem off, that without a concerted effort to improve productivity, the United States stands both to suffer continued inflation and to lose what competitive edge it still has in world markets.

The speakers' message was as urgent and alarmist as any clarion call to arms or action. The United States, they said, has to figure out again how to work efficiently.

"Productivity is a terrible problem for this nation," said Robert Strauss, President Carter's special assistant for both inflation and trade policy and the keynote speaker at yesterday's conference luncheon. "It is a difficult and debilitating problem. The time has come we all are in accord that we must face up to it."

The figures on what is happening to productivity are indeed disturbing — and were quoted by almost every speaker at some point or another. They show that in the past decade, U.S. productivity gains have slowed to only half what they were during the previous 20-year period (1.6 percent per year increase versus 3.2 percent). In the past four quarters, the gains have averaged less than one percent.

But the United States is doing poorly not only in relation to its past record. It has also fallen to the bottom of the list among the world's industrial powers, each of which achieved larger gains in productivity over the last 10 years than the United States.

The factors most frequently cited as contributing to the slowdown are:

- A fall-off in capital investment by industry.
- A large influx of relatively inexperienced teenagers and women into the labor force.
- The rise of service occupations.
- A slackening in the introduction and development of new technology.

However, in what was generally regarded as the most impressive talk of the day, Barry Bosworth, head of the president's Council on Wage and Price Stability, debunked most of these explanations as hardly significant enough to explain the severity of the current productivity decline.

As critical as the slowdown has been, there is no national program to address it. The National Center for Productivity and the Quality of Working Life, chartered in 1971 to keep at least some discussion going on the subject, went out of business four days ago.

The thrust of the conference was summarized by Jackson Grayson, chairman of the year-old American Productivity Center in Houston and who, along with Business Week magazine, organized the meeting. "Productivity must be put on the national agenda," Mr. Grayson said. "We must somehow get the interest, the motivation and the attention of the average individual."

## FINANCIAL NEWS AND NOTES

### Flick Bids for Larger Grace Share

The Friedrich Flick group, one of Europe's largest, privately owned companies, is bidding to widen its 12.2 percent stake in W.R. Grace & Co. to 31.1 percent in a transaction valued at about \$260 million. Flick earlier offered to purchase up to 7.3 million shares of Grace, the diversified chemical concern, at \$35 a share. It is expected the tender offer will begin in late October. A spokesman for Flick says the company does not intend to take over the majority of the U.S. company but was interested instead in the growth of industrial activities of Grace.

### Carrier and Jann-Air in Merger Pact

Carrier Corp. and Jann-Air say they signed a definitive agreement for the merger of Jann-Air into a

### subsidary of Carrier. The agreement calls for issuance by Carrier of a minimum of 1.35 shares of Carrier common for each share of Jann-Air common. Based on the outstanding Jann-Air shares Sept. 30, and the shares then reserved for Jann-Air stock options, the transaction would involve the issuance of a minimum of 3,365,010 shares of Carrier.

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BANQUE POUR LE COMMERCE CONTINENTAL - GENEVA

BANQUE OCCIDENTALE POUR L'INDUSTRIE ET LE COMMERCE (SUISSE) announces the opening of its banking premises at 15-17 Quai des Bergues, Geneva.

In accordance with an agreement entered into on the 2nd August 1978 with BANQUE POUR LE COMMERCE CONTINENTAL, BANQUE OCCIDENTALE POUR L'INDUSTRIE ET LE COMMERCE (SUISSE) takes over, as from 1st October 1978, most of the assets and liabilities as well as the securities portfolio and certain contingent liabilities of BANQUE POUR LE COMMERCE CONTINENTAL under the terms of existing agreements between BANQUE POUR LE COMMERCE CONTINENTAL and those customers, correspondents, debtors and creditors taken over by BANQUE OCCIDENTALE POUR L'INDUSTRIE ET LE COMMERCE (SUISSE).

All the customers, debtors and creditors of BANQUE POUR LE COMMERCE CONTINENTAL taken over by BANQUE OCCIDENTALE POUR L'INDUSTRIE ET LE COMMERCE (SUISSE) are being informed individually in accordance with their usual arrangements with BANQUE POUR LE COMMERCE CONTINENTAL.

BANQUE OCCIDENTALE POUR L'INDUSTRIE ET LE COMMERCE (SUISSE)  
Geneva, 30th September 1978.

BANQUE POUR LE COMMERCE CONTINENTAL announces that as from 30th September 1978, it ceases all banking activity. It entirely approves of the contents of the above announcement by BANQUE OCCIDENTALE POUR L'INDUSTRIE ET LE COMMERCE (SUISSE).

BANQUE POUR LE COMMERCE CONTINENTAL  
Geneva, 30th September 1978.

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# NYSE Nationwide Trading Closing Prices October 4

12 Month	Stock	High	Low	Open	Close	Prev	12 Month	Stock	High	Low	Open	Close	Prev	
High	Low	Open	Close	Prev	High	Low	Open	Close	Prev	High	Low	Open	Close	Prev
11	5	1.40	1.35	1.35	1.35	1.35	11	5	1.40	1.35	1.35	1.35	1.35	
12	10	2.80	2.75	2.75	2.75	2.75	12	10	2.80	2.75	2.75	2.75	2.75	
13	15	4.20	4.15	4.15	4.15	4.15	13	15	4.20	4.15	4.15	4.15	4.15	
14	20	5.60	5.55	5.55	5.55	5.55	14	20	5.60	5.55	5.55	5.55	5.55	
15	25	7.00	6.95	6.95	6.95	6.95	15	25	7.00	6.95	6.95	6.95	6.95	
16	30	8.40	8.35	8.35	8.35	8.35	16	30	8.40	8.35	8.35	8.35	8.35	
17	35	9.80	9.75	9.75	9.75	9.75	17	35	9.80	9.75	9.75	9.75	9.75	
18	40	11.20	11.15	11.15	11.15	11.15	18	40	11.20	11.15	11.15	11.15	11.15	
19	45	12.60	12.55	12.55	12.55	12.55	19	45	12.60	12.55	12.55	12.55	12.55	
20	50	14.00	13.95	13.95	13.95	13.95	20	50	14.00	13.95	13.95	13.95	13.95	
21	55	15.40	15.35	15.35	15.35	15.35	21	55	15.40	15.35	15.35	15.35	15.35	
22	60	16.80	16.75	16.75	16.75	16.75	22	60	16.80	16.75	16.75	16.75	16.75	
23	65	18.20	18.15	18.15	18.15	18.15	23	65	18.20	18.15	18.15	18.15	18.15	
24	70	19.60	19.55	19.55	19.55	19.55	24	70	19.60	19.55	19.55	19.55	19.55	
25	75	21.00	20.95	20.95	20.95	20.95	25	75	21.00	20.95	20.95	20.95	20.95	
26	80	22.40	22.35	22.35	22.35	22.35	26	80	22.40	22.35	22.35	22.35	22.35	
27	85	23.80	23.75	23.75	23.75	23.75	27	85	23.80	23.75	23.75	23.75	23.75	
28	90	25.20	25.15	25.15	25.15	25.15	28	90	25.20	25.15	25.15	25.15	25.15	
29	95	26.60	26.55	26.55	26.55	26.55	29	95	26.60	26.55	26.55	26.55	26.55	
30	100	28.00	27.95	27.95	27.95	27.95	30	100	28.00	27.95	27.95	27.95	27.95	
31	105	29.40	29.35	29.35	29.35	29.35	31	105	29.40	29.35	29.35	29.35	29.35	
32	110	30.80	30.75	30.75	30.75	30.75	32	110	30.80	30.75	30.75	30.75	30.75	
33	115	32.20	32.15	32.15	32.15	32.15	33	115	32.20	32.15	32.15	32.15	32.15	
34	120	33.60	33.55	33.55	33.55	33.55	34	120	33.60	33.55	33.55	33.55	33.55	
35	125	35.00	34.95	34.95	34.95	34.95	35	125	35.00	34.95	34.95	34.95	34.95	
36	130	36.40	36.35	36.35	36.35	36.35	36	130	36.40	36.35	36.35	36.35	36.35	
37	135	37.80	37.75	37.75	37.75	37.75	37	135	37.80	37.75	37.75	37.75	37.75	
38	140	39.20	39.15	39.15	39.15	39.15	38	140	39.20	39.15	39.15	39.15	39.15	
39	145	40.60	40.55	40.55	40.55	40.55	39	145	40.60	40.55	40.55	40.55	40.55	
40	150	42.00	41.95	41.95	41.95	41.95	40	150	42.00	41.95	41.95	41.95	41.95	
41	155	43.40	43.35	43.35	43.35	43.35	41	155	43.40	43.35	43.35	43.35	43.35	
42	160	44.80	44.75	44.75	44.75	44.75	42	160	44.80	44.75	44.75	44.75	44.75	
43	165	46.20	46.15	46.15	46.15	46.15	43	165	46.20	46.15	46.15	46.15	46.15	
44	170	47.60	47.55	47.55	47.55	47.55	44	170	47.60	47.55	47.55	47.55	47.55	
45	175	49.00	48.95	48.95	48.95	48.95	45	175	49.00	48.95	48.95	48.95	48.95	
46	180	50.40	50.35	50.35	50.35	50.35	46	180	50.40	50.35	50.35	50.35	50.35	
47	185	51.80	51.75	51.75	51.75	51.75	47	185	51.80	51.75	51.75	51.75	51.75	
48	190	53.20	53.15	53.15	53.15	53.15	48	190	53.20	53.15	53.15	53.15	53.15	
49	195	54.60	54.55	54.55	54.55	54.55	49	195	54.60	54.55	54.55	54.55	54.55	
50	200	56.00	55.95	55.95	55.95	55.95	50	200	56.00	55.95	55.95	55.95	55.95	
51	205	57.40	57.35	57.35	57.35	57.35	51	205	57.40	57.35	57.35	57.35	57.35	
52	210	58.80	58.75	58.75	58.75	58.75	52	210	58.80	58.75	58.75	58.75	58.75	
53	215	60.20	60.15	60.15	60.15	60.15	53	215	60.20	60.15	60.15	60.15	60.15	
54	220	61.60	61.55	61.55	61.55	61.55	54	220	61.60	61.55	61.55	61.55	61.55	
55	225	63.00	62.95	62.95	62.95	62.95	55	225	63.00	62.95	62.95	62.95	62.95	
56	230	64.40	64.35	64.35	64.35	64.35	56	230	64.40	64.35	64.35	64.35	64.35	
57	235	65.80	65.75	65.75	65.75	65.75	57	235	65.80	65.75	65.75	65.75	65.75	
58	240	67.20	67.15	67.15	67.15	67.15	58	240	67.20	67.15	67.15	67.15	67.15	
59	245	68.60	68.55	68.55	68.55	68.55	59	245	68.60	68.55	68.55	68.55	68.55	
60	250	70.00	69.95	69.95	69.95	69.95	60	250	70.00	69.95	69.95	69.95	69.95	
61	255	71.40	71.35	71.35	71.35	71.35	61	255	71.40	71.35	71.35	71.35	71.35	
62	260	72.80	72.75	72.75	72.75	72.75	62	260	72.80	72.75	72.75	72.75	72.75	
63	265	74.20	74.15	74.15	74.15	74.15	63	265	74.20	74.15	74.15	74.15	74.15	
64	270	75.60	75.55	75.55	75.55	75.55	64	270	75.60	75.55	75.55	75.55	75.55	
65	275	77.00	76.95	76.95	76.95	76.95	65	275	77.00	76.95	76.95	76.95	76.95	
66	280	78.40	78.35	78.35	78.35	78.35	66	280	78.40	78.35	78.35	78.35	78.35	
67	285	79.80	79.75	79.75	79.75	79.75	67	285	79.80	79.75	79.75	79.75	79.75	
68	290	81.20	81.15	81.15	81.15	81.15	68	290	81.20	81.15	81.15	81.15	81.15	
69	295	82.60	82.55	82.55	82.55	82.55	69	295	82.60	82.55	82.55	82.55	82.55	
70	300	84.00	83.95	83.95	83.95	83.95	70	300	84.00	83.95	83.95	83.95	83.95	
71	305	85.40	85.35	85.35	85.35	85.35	71	305	85.40	85.35	85.35	85.35	85.35	
72	310	86.80	86.75	86.75	86.75	86.75	72	310	86.80	86.75	86.75	86.75	86.75	
73	315	88.20	88.15	88.15	88.15	88.15	73	315	88.20	88.15	88.15	88.15	88.15	
74	320	89.60	89.55	89.55	89.55	89.55	74	320	89.60	89.55	89.55	89.55	89.55	
75	325	91.00	90.95	90.95	90.95	90.95	75	325	91.00	90.95	90.95	90.95	90.95	
76	330	92.40	92.35	92.35	92.35	92.35	76	330	92.40	92.35	92.35	92.35	92.35	
77	335	93.80	93.75	93.75	93.75	93.75	77	335	93.80	93.75	93.75	93.75	93.75	
78	340	95.20	95.15	95.15	95.15	95.15	78	340	95.20	95.15	95.15	95.15	95.15	
79	345	96.60	96.55	96.55	96.55	96.55	79	345	96.60	96.55	96.55	96.55	96.55	
80	350	98.00	97.95	97.95	97.95	97.95	80	350	98.00	97.95	97.95	97.95	97.95	
81	355	99.40	99.35	99.35	99.35	99.35	81	355	99.40	99.35	99.35	99.35	99.35	
82	360	100.80	100.75	100.75	100.75	100.75	82	360	100.80	100.75	100.75	100.75	100.75	
83	365	102.20	102.15	102.15	102.15	102.15	83	365	102.20	102.15	102.15	102.15	102.15	
84	370	103.60	103.55	103.55	103.55	103.55	84	370	103.60	103.55	103.55	103.55	103.55	
85	375	105.00	104.95	104.95	104.95	104.95	85	375	105.00	104.95	104.95	104.95	104.95	
86	380	106.40	106.35	106.35	106.35	106.35	86	380	106.40	106.35	106.35	106.35	106.35	
87	385	107.80	107.75	107.75	107.75	107.75	87	385	107.80	107.75	107.75	107.75	107.75	
88	390	109.20	109.15	109.15	109.15	109.15	88	390	109.20	109.15	109.15	109.15	109.15	
89	395	110.60	110.55	110.55	110.55	110.55	89	395	110.60	110.55	110.55	110.55	110.55	
90	400	112.00	111.95	111.95	111.95	111.95	90	400	112.00	111.95	111.95	111.95	111.95	
91	405	113.40	113.35	113.35	113.35	113.35	91	405	113.40	113.35	113.35	113.35	113.35	
92	410	114.80	114.75	114.75	114.75	114.75	92	410	114.80	114.75	114.75	114.75	114.75	
93	415	116.20	116.15	116.15	116.15	116.15	93	415	116.20	116.15	116.15	116.15	116.15	
94	420	117.60	117.55	117.55	117.55	117.55	94	420	117.60	117.55	117.55	117.55	117.55	
95	425	119.00	118.95	118.95	118.95	118.95	95	425	119.00	118.95	118.95	118.95	118.95	
96	430	120.40	120.35	120.35	120.35	120.35	96	430	120.40	120.35	120.35	120.35	120.35	
97	435	121.80	121.75	121.75	121.75	121.75	97	435	121.80	121.75	121.75	121.75	121.75	
98	440	123.20	123.15	123.15	123.15	123.15	98	440	123.20	123.15	123.15	123.15	123.	







Paris Commodities (Figures in French francs per metric ton)

	High	Low	Close	Ch.
SUGAR				
Nov	N.T.	N.T.	N.T.	N.T.
Dec	N.T.	N.T.	N.T.	N.T.
Jan	N.T.	N.T.	N.T.	N.T.
Feb	N.T.	N.T.	N.T.	N.T.
Mar	N.T.	N.T.	N.T.	N.T.
Apr	N.T.	N.T.	N.T.	N.T.
May	N.T.	N.T.	N.T.	N.T.
Jun	N.T.	N.T.	N.T.	N.T.
Jul	N.T.	N.T.	N.T.	N.T.
Aug	N.T.	N.T.	N.T.	N.T.
Soybean				
Nov	N.T.	N.T.	N.T.	N.T.
Dec	N.T.	N.T.	N.T.	N.T.
Jan	N.T.	N.T.	N.T.	N.T.
Feb	N.T.	N.T.	N.T.	N.T.
Mar	N.T.	N.T.	N.T.	N.T.
Apr	N.T.	N.T.	N.T.	N.T.
May	N.T.	N.T.	N.T.	N.T.
Jun	N.T.	N.T.	N.T.	N.T.
Jul	N.T.	N.T.	N.T.	N.T.
Aug	N.T.	N.T.	N.T.	N.T.

London Metals Market (Figures in sterling per metric ton)

	High	Low	Close	Ch.
Copper wire bars				
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

European Markets (Yesterday's closing prices in local currencies)

	High	Low	Close	Ch.
Amsterdam				
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

Enrocurrency Interest Rates

	High	Low	Close	Ch.
1 M	8.75	8.75	8.75	0.00
3 M	8.75	8.75	8.75	0.00
6 M	8.75	8.75	8.75	0.00
1 Y	8.75	8.75	8.75	0.00

AMEX Nationwide Trading Closing Prices October 4

	High	Low	Close	Ch.
12 Month Stock				
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

International Stock Indexes

	High	Low	Close	Ch.
Amsterdam				
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

London Commodities (Figures in sterling per metric ton)

	High	Low	Close	Ch.
Copper wire bars				
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

Brussels (Yesterday's closing prices in local currencies)

	High	Low	Close	Ch.
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

Market Summary NYSE Most Active

	High	Low	Close	Ch.
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

AMEX Nationwide Trading Closing Prices October 4 (Continued)

	High	Low	Close	Ch.
12 Month Stock				
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

European Gold Markets (October 4, 1978)

	High	Low	Close	Ch.
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

Tokyo Exchange (October 4, 1978)

	High	Low	Close	Ch.
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

London (Yesterday's closing prices in local currencies)

	High	Low	Close	Ch.
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

Dow Jones Averages (October 4, 1978)

	High	Low	Close	Ch.
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

AMEX Nationwide Trading Closing Prices October 4 (Continued)

	High	Low	Close	Ch.
12 Month Stock				
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

**U.S. \$20,000,000**

**SUNDSVALLS BANKEN**

FLOATING RATE CAPITAL NOTES DUE 1985

For the six months 4th October, 1978 to 4th April, 1979

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest payable on the relevant interest payment date, 4th April, 1979 against Coupon No. 1 will be U.S. \$50.67.

Agent Bank: Morgan Guaranty Trust Company of New York, London

U.S. Commodity Prices

	High	Low	Close	Ch.
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

**EMBRAER**

(Empresa Brasileira de Aeronautica S.A.)

**U.S. \$3,636,284**

**Supplier's Credit**

provided in connection with the sale of the first three EMB10PI Bandeirante aircraft to be exported to the United States under FAA certification.

Arranged by

Banco do Comercio e Industria de Sao Paulo S.A. New York Agency

Banco do Comercio e Industria de Sao Paulo S.A. New York Agency

U.S. Commodity Prices (Continued)

	High	Low	Close	Ch.
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10

**Comind**

September 1978

U.S. Commodity Prices (Continued)

	High	Low	Close	Ch.
Nov	145.00	144.00	144.50	-0.10
Dec	145.00	144.00	144.50	-0.10
Jan	145.00	144.00	144.50	-0.10
Feb	145.00	144.00	144.50	-0.10
Mar	145.00	144.00	144.50	-0.10
Apr	145.00	144.00	144.50	-0.10
May	145.00	144.00	144.50	-0.10
Jun	145.00	144.00	144.50	-0.10
Jul	145.00	144.00	144.50	-0.10
Aug	145.00	144.00	144.50	-0.10











**National League      American League**



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